



EVA Precision Industrial Holdings Limited  
億和精密工業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 838)



2025 年 Annual  
報 Report



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# GROUP PROFILE

EVA Precision Industrial Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the “Group”) commenced business in 1993 as a mould producer and is principally engaged in the provision of precision manufacturing services with a focus on the production of high-quality and dimensionally accurate moulds and components. It has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 11 May 2005.

The Group is a vertically integrated one-stop precision manufacturing service provider. Its existing services mainly include i) design and fabrication of precision metal stamping and plastic injection moulds; ii) manufacturing of precision metal and plastic components using custom moulds and other sophisticated manufacturing processes; iii) lathing of metal components; and iv) assembly of precision metal and plastic components manufactured by the Group into semi-finished or finished products using automated technologies such as laser welding and complete machine assembly lines.

The Group’s business model is unique and different from ordinary OEMs/ODMs. Brand owners usually require the Group to co-develop the relevant moulds with them from the early stages of their product development. The completed moulds are then stored in the Group’s industrial parks for future mass production of components and semi-finished products, which can be further assembled into finished products by the Group. Due to the high level of skills and technologies required to produce moulds, components and semi-finished products with a high degree of precision and dimensional accuracy, the Group has strong pricing power for its products.

Over the years, the Group has developed into a comprehensive one-stop enterprise integrating the three main business segments, namely, the office automation (“OA”) equipment business, the automotive component business and the information and communication technology (“ICT”) business, and has expanded its manufacturing bases in China, Southeast Asia and North America.

The OA equipment business strives to provide design and electronic manufacturing services (“D-EMS”) for various leading brands of OA equipment in the market. It aims to provide a one-stop solution from the design and development of complete machines for products (printers, copiers and finishers) and the related moulds, to the production of precision moulds and mass manufacturing of parts and components, to the assembly of semi-finished and finished products, i.e. complete machine assembly. Its manufacturing base spans six major industrial parks in Shenzhen, Suzhou, Weihai and Vietnam (Haiphong and Quang Ninh). The Group has completed construction of a new industrial park in Quang Ninh province, Vietnam, and the new industrial park is expected to commence operation in April 2026.

The automotive component business strives to provide moulds and products for world-renowned Tier 1 suppliers, OEMs and automakers in the industry. It focuses on supplying customers with highly compatible platform components and generic components, ultimately reducing costs, maximising profits and improving global flexibility, allowing production of popular models to be easily and quickly expanded to other factories building the same platform. The business’ main products include, but are not limited to, automotive seat frame systems, high-strength beam and chassis structural parts, and new energy-related products such as vehicle tri-electric system structural parts. The automotive component business operates six major industrial parks, located in Shenzhen (separate from the OA equipment business and the ICT business), Zhongshan, Chongqing, Sichuan, Wuhan, and Mexico (San Luis Potosi).

On the foundation of its two core business segments, namely the OA equipment business and the automotive component business, the Group has been vigorously developing its third business segment – the ICT business. The business segment is established on the foundation of the Group’s core existing stamping technology and other automated manufacturing processes, as well as laser welding technology. It aims to develop and manufacture internet server-related products, including but not limited to server control boxes, energy storage units and inverters. Its key customers include a prominent Chinese high-tech company. The ICT business currently operates an industrial park located in Shenzhen, separate from the OA equipment business and the automotive component business.

# CORPORATE MILESTONE

| Year | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1993 | The Group started its business through the establishment of EVA Limited, a subsidiary of the Group, in Hong Kong. The Group established its first production base in Shenzhen, the PRC in the same year. The Group started its business as a metal stamping mould manufacturer and its business was later extended to the manufacture of metal stamping components.                                                                                                                                                                                                              |
| 2000 | Yihe Precision Hardware (Shenzhen) Co., Ltd., a subsidiary of the Group, was awarded with the ISO9001 certification in respect of quality management system by the BSI Group.                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2002 | The first factory building in EVA Shenzhen (Shiyan) Electronic Industrial Park with a construction area of approximately 21,000 square metres was completed. The Group's production lines were moved to EVA Shenzhen (Shiyan) Electronic Industrial Park in the same year.                                                                                                                                                                                                                                                                                                       |
| 2003 | The second factory building in EVA Shenzhen (Shiyan) Electronic Industrial Park with a construction area of approximately 19,000 square metres was completed.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2004 | The Group expanded into plastic mould and component manufacturing business through the establishment of EVA Plastic Mould Products (HK) Limited in Hong Kong and Yihe Plastic and Electronic Products (Shenzhen) Co., Ltd. in Shenzhen. The first production line of the Group's plastic production line was established and located in the second factory building of EVA Shenzhen (Shiyan) Electronic Industrial Park for trial production.                                                                                                                                    |
| 2005 | <p>EVA Precision Industrial Holdings Limited was listed on the Main Board of The Stock Exchange of Hong Kong Limited.</p> <p>The construction of the third factory building in EVA Shenzhen (Shiyan) Electronic Industrial Park was completed and thereafter the Group's plastic production line was moved to the third factory building of EVA Shenzhen (Shiyan) Electronic Industrial Park and commenced commercial production.</p> <p>The Group started to establish an industrial park in Suzhou through the establishment of EVA Precision Industrial (Suzhou) Limited.</p> |
| 2006 | The construction of phase one of EVA Suzhou Electronic Industrial Park was completed and commenced production.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2008 | EVA (Guangming) Precision Manufacturing Industrial Park which is located at Guangming New District, Shenzhen commenced commercial operations in the fourth quarter of 2008.                                                                                                                                                                                                                                                                                                                                                                                                      |

# CORPORATE MILESTONE

| Year | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2010 | The construction of the Group's industrial park in Zhongshan was completed by the end of 2010 and commenced production.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2011 | <p>EVA Precision Industrial Holdings Limited acquired Chongqing Digit Auto Body Ltd. (重慶數碼模車身模具有限公司) in mid 2011 as part of its strategic plan to expand into the huge automobile sector.</p> <p>As a wholly-owned subsidiary of the Group, Digit Stamping Technology (Wuhan) Limited (數碼模沖壓技術(武漢)有限公司) was established in September 2011, targeting at serving international and domestic automobile brand names located in Wuhan and its adjacent cities.</p> <p>The construction of the fourth factory building in EVA Shenzhen (Shiyan) Electronic Industrial Park was completed.</p> |
| 2012 | The construction of EVA Shenzhen (Tianliao) Smart Device Industrial Park commenced operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2013 | The Group's management headquarter moved to the fourth factory building in EVA Shenzhen (Shiyan) Electronic Industrial Park.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2014 | Digit Wuhan Automobile Industrial Park commenced commercial production. The Group also completed the construction of phase 2 of Digit Chongqing Automobile Industrial Park, which was purposely built for expanding the production capacity for automobile components.                                                                                                                                                                                                                                                                                                                    |
| 2015 | The Group started to construct EVA Vietnam (Haiphong) Electronic Industrial Park, signifying its first step to expand outside China.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 2016 | The construction of phase one of EVA Vietnam (Haiphong) Electronic Industrial Park was completed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2017 | <p>Under the invitation of Hewlett-Packard, the Group started to construct EVA Weihai (Double Islands Bay) Electronic Industrial Park in Weihai, Shandong Province, China. The Group also commenced the construction of Digit Mexico (SLP) Automobile Industrial Park in San Luis Potosí, Mexico with a view to serving existing and new customers there.</p> <p>With a view to better serving Hewlett-Packard in Weihai, the Group acquired Intops (Weihai) Electronics Co., Ltd., a component manufacturer, to accelerate the Group's development in Weihai.</p>                        |

# CORPORATE MILESTONE

| Year | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2019 | The construction of phase one of Digit Mexico (SLP) Automobile Industrial Park was completed. Also, phase two of EVA Vietnam (Haiphong) Electronic Industrial Park commenced production.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2020 | In order to cope with the increasing order demand, the construction of phase two of Digit Mexico (SLP) Automobile Industrial Park commenced. The Digit Mexico (SLP) Automobile Industrial Park as well as EVA (Guangming) Precision Manufacturing Industrial Park both attained Tier-one Supplier status for Tesla.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2021 | <p>The Group acquired the entire equity interest in Futaba Metal Products (Shenzhen) Co., Ltd. ("Futaba Metal") from Futaba Industrial Co., Ltd. through Shenzhen EVA Precision Technology Group Limited, its wholly owned subsidiary. Futaba Metal was then renamed Shenzhen EVA Technology Intelligent Manufacturing Co., Ltd. (深圳市億和科技智造有限公司) and EVA Intelligent Manufacturing is principally engaged in the manufacture and sale of office automation equipment.</p> <p>The Group began to gradually integrate EVA Intelligent Manufacturing's businesses, with the objective of integrating the resources of EVA Intelligent Manufacturing and merging its production capacity with that of the Group's existing production facilities.</p> <p>In July 2021, mass production for Tesla's direct Tier-one orders kicked off.</p> |
| 2022 | The Group completed the integration of the production capacity of EVA Intelligent Manufacturing with that of the EVA Shenzhen (Shiyan) Electronic Industrial Park and the construction of phase two of Digit Mexico (SLP) Automotive Industrial Park was completed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2023 | As the total capacity of the two phases of EVA Vietnam (Haiphong) Electronic Industrial Park was insufficient to meet future order demand from the Group's major office automation equipment customers, the Group obtained a leasehold land in Quang Ninh Province in northern Vietnam for further expansion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2024 | The Group began construction of a new industrial park in Quang Ninh, Vietnam.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2025 | The Group signed a sale and purchase agreement with Weihai Gaoxin Innovation Park Operation Management Co., Ltd. in July 2025 to sell the land parcel and factory premises at EVA Weihai (Intops) Electronic Industrial Park ("Weihai (Intops)"), with a view to consolidate the business operations of Weihai (Intops) with its industrial park in Double Islands Bay Weihai.                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2026 | The new industrial park in Quang Ninh, Vietnam, is expected to commence operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

# MAJOR AWARDS AND HONOUR



🏆 Winner

★ Issuer

## First Batch of Green Factories of Shenzhen



Shenzhen EVA Precision Technology Group Limited  
Shenzhen Digit Automotive Technology Limited  
Shenzhen Municipal Bureau of Industry and Information Technology

## Second Batch of Green Factories of Shenzhen



Shenzhen EVA Mould Manufacturing Limited  
Yihe Plastic and Electronic Products (Shenzhen) Co., Limited  
Shenzhen Municipal Bureau of Industry and Information Technology

## 2025 Newly Recognized Shandong Provincial Enterprise Technology Centers (32nd Batch)



EVA Precision Industrial (Weihai) Limited  
Shandong Development and Reform Commission

## 2025 Specialised, Refined, Differentiated and Innovated Small and Medium-sized Enterprise



EVA Precision Industrial (Weihai) Limited  
Department of Industry and Information Technology of Shandong Province

## 2025 Top 500 Enterprise in Guangdong Manufacturing Industry



EVA Precision Industrial Holdings Limited  
Guangdong Manufacturers Association

## Compiling Unit for Group Standard of Industrial Internet Identity Resolution for Mould Metadata



Shenzhen EVA Precision Technology Group Limited  
Shenzhen Internet of Things Industry Association

## 2025 Guangdong Top 500 Enterprise



EVA Precision Industrial Holdings Limited  
Guangdong Provincial Enterprises Confederation  
Guangdong Provincial Association of Entrepreneurs

## 2025 Shenzhen Top 500 Enterprise



EVA Precision Industrial Holdings Limited  
Shenzhen Enterprise Confederation  
Shenzhen Entrepreneur Association

## 2025 China Key Core Mould Supply Enterprise (Renewed)



EVA Precision Industrial Holdings Limited  
China Die & Mould Industry Association

## 2024 Outstanding Contribution Award for Machinery and Mould Enterprises



Shenzhen Huaxian Intelligent Manufacturing Technology Co., Ltd.  
Guangdong Machinery and Mould Technology Association

## 2024 Outstanding Contribution Award for Machinery and Mould Enterprises



Shenzhen Digit Automotive Technology Limited  
Guangdong Machinery and Mould Technology Association

## 2025-2028 China Key Core Mould Supply Enterprise



Chongqing Digit Auto Body Ltd.  
China Die & Mould Industry Association

# MAJOR AWARDS AND HONOUR

★ Winner ★ Issuer

2024 to 2026  
Premiere Partner  
(for 16 consecutive  
years)

April 2025 to  
March 2027  
Excellent  
Procurement Partner



EVA Precision Industrial  
Holdings Limited  
Fujifilm

EVA Precision Industrial  
(Suzhou) Limited  
Canon

2024 Special  
Quality  
Award

2024 Supplier  
Model  
Certificate

Excellent Quality  
Collaboration  
Award

ICT Collaborative  
Win-Win Award



EVA Precision Industrial  
(Suzhou) Limited  
Konica Minolta

EVA Precision Industrial  
(Suzhou) Limited  
Konica Minolta

Shenzhen Huaxian Intelligent  
Technology Co., Ltd  
Huawei Global Procurement Certification  
Management Department - Technology  
and Quality Certification Department

Shenzhen Huaxian Intelligent  
Technology Co., Ltd  
Huawei Technologies Co.,  
Ltd.

Shenzhen Charity  
Organisation for  
Voluntary Blood Donation

2024 Outstanding  
Contribution Collective for  
Voluntary Blood Donation

Outstanding  
Contribution  
Award

Outstanding  
Contribution  
Award

Industry  
Benchmark  
Award



EVA Precision Industrial  
Holdings Limited  
Shenzhen Bao'an District  
Central Blood Station

EVA Precision Industrial  
Holdings Limited  
Shenzhen Bao'an  
District Central  
Blood Station

Shenzhen EVA  
Precision Technology  
Group Limited  
Guangdong Machinery  
and Mould Technology  
Association

Yihe Plastic and  
Electronic Products  
(Shenzhen) Co., Limited  
Guangdong  
Machinery and  
Mould Technology  
Association

Shenzhen Huaxian  
Intelligent  
Technology Co., Ltd  
Guangdong  
Machinery and  
Mould Technology  
Association

EVA Precision  
Industrial (Weihai)  
Limited  
Responsible Business  
Alliance

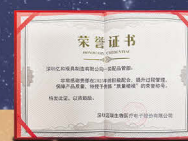
Shenzhen Digit  
Automotive  
Technology Limited  
China Municipal  
Bureau of Industry  
and Information  
Technology

Chongqing Digit  
Auto Body Ltd.  
Chongqing Die & Mould  
Industry Association

2024  
Excellent  
Supplier

Quality  
Model

2024  
Excellent  
Supplier



Shenzhen EVA Mould  
Manufacturing Limited  
Epson Technology (Shenzhen)  
Co., Ltd.

Shenzhen EVA Mould  
Manufacturing Limited  
Shenzhen Mindray  
Bio-Medical Electronics  
Co., Ltd.

Okutatu (Macao Commercial  
Offshore) Limited  
Fujifilm Manufacturing  
(Shenzhen) Co., Ltd  
Fujifilm Procurement  
Consulting (Shenzhen)  
Co., Ltd

RBA  
Certification

Specialised, Refined,  
Differentiated and Innovated  
"Little Giant" Enterprise

Outstanding  
Innovation  
Award



# FINANCIAL HIGHLIGHTS

|                                                                                     |          | 2025                    | 2024             | 2023             | 2022             | 2021             |
|-------------------------------------------------------------------------------------|----------|-------------------------|------------------|------------------|------------------|------------------|
| OPERATING RESULTS                                                                   |          |                         |                  |                  |                  |                  |
| Turnover                                                                            | HK\$'000 | <b><u>6,027,820</u></b> | <u>6,296,926</u> | <u>6,182,658</u> | <u>6,268,065</u> | <u>5,108,777</u> |
| Earnings before interest and taxation (EBIT) (Note 1)                               | HK\$'000 | <b><u>363,762</u></b>   | <u>372,689</u>   | <u>390,791</u>   | <u>273,176</u>   | <u>194,601</u>   |
| Earnings before interest, taxation, depreciation and amortisation (EBITDA) (Note 1) | HK\$'000 | <b><u>712,064</u></b>   | <u>677,473</u>   | <u>667,080</u>   | <u>545,499</u>   | <u>470,302</u>   |
| Profit attributable to equity holders of the Company                                | HK\$'000 | <b><u>244,627</u></b>   | <u>243,507</u>   | <u>237,095</u>   | <u>206,017</u>   | <u>155,190</u>   |
| FINANCIAL POSITION                                                                  |          |                         |                  |                  |                  |                  |
| Cash generated from operations                                                      | HK\$'000 | <b><u>707,034</u></b>   | <u>862,394</u>   | <u>538,116</u>   | <u>456,024</u>   | <u>290,087</u>   |
| Net current assets                                                                  | HK\$'000 | <b><u>1,148,081</u></b> | <u>1,500,405</u> | <u>1,278,924</u> | <u>1,437,367</u> | <u>415,727</u>   |
| Shareholders' equity                                                                | HK\$'000 | <b><u>3,334,773</u></b> | <u>3,141,921</u> | <u>2,997,714</u> | <u>2,838,404</u> | <u>2,788,441</u> |
| PER SHARE DATA                                                                      |          |                         |                  |                  |                  |                  |
| Earnings per share                                                                  |          |                         |                  |                  |                  |                  |
| – Basic (Note 2)                                                                    | HK cents | <b><u>14.1</u></b>      | <u>14.0</u>      | <u>13.6</u>      | <u>11.8</u>      | <u>9.0</u>       |
| – Diluted (Note 3)                                                                  | HK cents | <b><u>14.1</u></b>      | <u>14.0</u>      | <u>13.6</u>      | <u>11.8</u>      | <u>9.0</u>       |
| OTHER KEY STATISTICS                                                                |          |                         |                  |                  |                  |                  |
| Earnings before interest, taxation, depreciation and amortisation (EBITDA) margin   | (%)      | <b><u>11.8</u></b>      | <u>10.8</u>      | <u>10.8</u>      | <u>8.7</u>       | <u>9.2</u>       |

# FINANCIAL HIGHLIGHTS

|                                   |     | 2025        | 2024 | 2023 | 2022 | 2021 |
|-----------------------------------|-----|-------------|------|------|------|------|
| Net profit margin                 | (%) | <b>4.1</b>  | 3.9  | 3.8  | 3.3  | 3.0  |
| Return on shareholders' equity    | (%) | <b>7.3</b>  | 7.8  | 7.9  | 7.3  | 5.6  |
| Net debt-to-equity ratio (Note 4) | (%) | <b>14.1</b> | 15.0 | 25.2 | 21.0 | 17.5 |

Note 1: Earnings before interest and taxation and earnings before interest, taxation, depreciation and amortisation are calculated before taking into account share of profits or losses of associates.

Note 2: Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of 1,727,866,000 shares, 1,745,051,000 shares, 1,740,920,000 shares, 1,740,920,000 shares and 1,730,438,000 shares in issue during the years ended 31 December 2021, 2022, 2023, 2024 and 2025 respectively.

Note 3: Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of 1,728,330,000 shares, 1,745,095,000 shares, 1,740,920,000 shares, 1,740,920,000 shares and 1,730,438,000 shares for the years ended 31 December 2021, 2022, 2023, 2024 and 2025 respectively adjusted to assume conversion of all dilutive potential shares (i.e. share options). A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual quoted share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

Note 4: Net debt-to-equity ratio is calculated based on the total balance of bank borrowings and lease liabilities less cash and bank balances divided by shareholders' equity. Lease liabilities exclude the rentals for factory and office premises in future periods amounting to HK\$100,247,000 as at 31 December 2025 (as at 31 December 2024: HK\$83,755,000). These rentals have not yet been expensed, but are deemed as lease liabilities under the Hong Kong Financial Reporting Standard 16 "Leases". The ownership of the related factory and office premises is not held by the Group.

# CHAIRMAN'S STATEMENT



Dear shareholders,

On behalf of the board of directors (the “Board”), I am pleased to present to you the annual report of EVA Precision Industrial Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) for the year ended 31 December 2025.

In 2025, the Group navigated a year filled with both challenges and opportunities. As the Chairman of the Company, I am pleased to report that amidst a complex and dynamic global economic landscape, the Group has successfully demonstrated tremendous business resilience through prudent strategic planning and the dedication of our team, while laying a robust foundation for future growth.

Looking back on 2025, the global political and economic environment remained turbulent and unstable. Escalating geopolitical conflicts, frequent adjustments to US tariff measures, and divergent recovery trajectories among major economies added uncertainties to business operations. Against this backdrop, the Group faced its greatest challenges since the pandemic. Tariffs not only raised export costs, but also triggered a chain of effects, including an uncertainty in end-market demand leading to customer destocking and order deferrals to next year, production capacity shifting to Southeast Asia and other regions, and cost pressures spreading through the supply chain. This posed a severe challenge to the traditional office automation (“OA”) equipment supply chain, which has a limited gross profit margin.



In the face of these challenges, the Group's overall turnover experienced a decline year-on-year, mainly due to a temporary downturn in the OA equipment segment amid tariff pressures and the shift of customers' production capacity to Southeast Asia. However, the information and communication technology ("ICT") segment defied the trend with robust growth and has now been officially established as the third core reporting segment. This fully demonstrates the sustained momentum driven by ongoing demand for data centre construction and energy storage applications. The automotive component segment saw steady growth with particularly notable contributions from the mass production of new energy vehicle ("NEV") projects at the industrial parks in Wuhan and Chongqing. The outstanding performance of ICT and the automotive business effectively alleviated the downturn in OA business, demonstrating the initial success of the Group's adjustments to its business and customer structure.

Despite pressure on turnover and declining OA capacity utilisation, the Group's overall gross margin as well as its quality of earnings continued to improve. The Group maintained a stable gross margin through cost reduction and efficiency improvements, lean production, and a higher mix of high-value-added products. Operating EBITDA (earnings before interest, tax, depreciation and amortisation) increased year-on-year, while the net debt-to-equity ratio continued to decline. With ample cash reserves and strong financial resilience, the Group was well-positioned to capitalise on industry upgrades. These achievements were attributable to the Group's diversified business portfolio, globalised production layout, and prudent financial management, through which it not only maintained its footing, but also optimised its structure amid adversity.

# CHAIRMAN'S STATEMENT

## PROSPECTS

Looking ahead to 2026, although the global economy continues to face uncertainties from multiple geopolitical tensions, trade frictions, and divergent regional growth, the overall global manufacturing sector is expected to maintain moderate growth, with Asia – particularly China – remaining a primary growth driver. According to third-party research, the global laser printer market will continue to expand, especially driven by strong demand for high-end and multifunctional products. Relevant data indicates that Chinese domestic brands already accounted for approximately 42% of China's A4 laser printer market in 2025, with potential for further gains over the next two years. The global data centre server racks and energy storage equipment market, powered by AI computing and cloud computing, is expected to maintain rapid growth. The electrification of China's automotive component industry is accelerating. Data shows that China's domestic NEV penetration rate will rise steadily, while its new energy and intelligent-related segments are expected to generate robust growth momentum.

In the current environment, the Group will advance its business in four strategic directions: steadily upgrading its OA business, accelerating growth in the ICT segment, strengthening operational capabilities in the automotive components business, and enhancing operational and financial resilience for the Group. In terms of OA equipment segment, the Group will optimise its capacity deployment and accelerate the commissioning of the industrial park in Quang Ninh, Vietnam, to flexibly respond to tariff challenges and customers shifting production orders to Southeast Asia. At the same time, the Group will deepen collaboration with local Chinese brands and the "Xinchuang" initiatives to gradually increase the proportion of domestic sales, thereby mitigating risks from international market volatility. In response to the growing demand for domestic brands and mass-market printing products in China, the Group has actively seized opportunities, by intensifying investment in complete machine R&D and product engineering, to expand its business into the ODM model, on top of longstanding OEM collaborations. Boasting more than 30 years of precision manufacturing and product engineering experience in the OA equipment field, the Group has worked with major Chinese printer brands such as M&G, Lanxum and Zhixiang, progressing from component supply and assembly services to complete machine design and verification to provide customers with one-stop D-EMS solutions. Through core processes such as precision stamping, laser welding and smart manufacturing, the Group offers customised, comprehensive services to its long-term overseas partners and domestic brand customers in China. This approach enables the Group to diversify its capacity structure and product mix, while further enhancing the competitiveness and resilience of its OA business in the mainstream commercial printer market.



# CHAIRMAN'S STATEMENT

At the same time, the Group successfully developed its robotics-related business in 2025, establishing strategic partnerships with leading domestic intelligent robotics companies during the year. This primarily involves the production of robot components and complete machine assembly for industrial and commercial applications. The first batch of complete machines was delivered in August, with delivery volumes expected to increase significantly in 2026, injecting new momentum into the diversification of the OA business. In terms of ICT, the Group will capitalise on data centre expansion, driven by AI computing and cloud computing, to broaden its server energy storage product lines. Through introducing laser welding and automation technologies, we aim to further improve quality and manufacturing capabilities, and actively expand our customer base both domestically and overseas to elevate the contribution of the ICT business to double-digit levels. As for automotive component segment, to align with the rising NEV penetration and autonomous driving trends, the Group will step up its investments in auto body, seat and "three-electric" components to continuously boost the proportion of new energy orders. It will also deepen cooperation with existing customers to consolidate existing projects and secure new wins, while enhancing synergies across the Wuhan, Chongqing, and Mexico bases to improve global delivery capabilities and risk resilience.

Finally, the Group will continue to enhance operational efficiency and financial resilience while adhering to prudent expenditure and deleveraging strategies in order to maintain a low gearing ratio and sufficient cash reserves to ensure financial flexibility. With its leading technological edge in the industry and its diversified and globalised business layout, the Group is confident in seizing opportunities arising from industry upgrades and creating substantial value for shareholders and other stakeholders.

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude and appreciation to the entire management team and staff members for their dedication and hard work during the past year. I would also like to thank our shareholders, correspondent banks and business partners for their unwavering support and confidence in the Group. Last but not least, I wish you all every success in your endeavours and good health.

*Chairman*

**Zhang Hwo Jie**

Hong Kong, 30 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

In 2025, the global political and economic landscape remained complex and volatile. Geopolitical tensions, inflation pressures, and a shift to moderately easing monetary policies resulted in modest growth for the global manufacturing sector, albeit with increasing divergence in regional performance. Additionally, tariff adjustments by the US not only impacted the steel, aluminum and automobiles – which bore the brunt of the changes – but also office automation (“OA”) equipment, electronic products, and server equipment. These sectors all faced rising costs for US-bound shipments and pressure from increasingly cautious demand expectations.

Under the dual pressures of tariffs and cost constraints, international brands have generally accelerated capacity relocation to Southeast Asia, which offer a relatively favourable tariff and policy environment. Meanwhile, existing capacity in China is gradually shifting towards manufacture of higher-value-added products, R&D, or primarily serving non-US markets. Moreover, some key customers, amid tariff and demand uncertainties, opted to defer orders, reducing visibility into upstream orders in 2025 and temporarily pressuring traditional OA suppliers. However, deferred demand is expected to gradually materialise from 2026 onwards as inventory replenishment and capital spending progressively resume.

Amid this challenging external environment, the Group, leveraging its long-established diversified business portfolio and globalised production footprint, successfully maintained an operating scale of over HK\$6 billion, reflecting a relatively resilient performance. Its overall turnover decreased by 4.3% year-on-year to HK\$6,027,820,000 (2024: HK\$6,296,926,000), of which the OA equipment segment, impacted by the US tariff hikes, capacity adjustments by international brand customers, and structural changes in China’s domestic demand, saw a 14.4% year-on-year decline in revenue to HK\$3,502,370,000 (2024: HK\$4,089,989,000). This was primarily due to the continued contraction in production scales among high-end OA customers in Northern China, coupled with the accelerated relocation of production capacity to Southeast Asia by certain customers in the Southern China region, resulting in a significant decline in orders and capacity utilisation at several of the Group’s industrial parks in China. While the industrial park in Vietnam continued to absorb some orders transferred from China, constrained by the capacity ramp-up phasing, it has yet to fully offset the downturn at the domestic bases. Consequently, the overall revenue of the OA equipment segment recorded a more pronounced decrease.



# MANAGEMENT DISCUSSION AND ANALYSIS

Meanwhile, the Group's information and communication technology ("ICT") related business, which has been a key focus in recent years, delivered strong performance, with full-year revenue surging by 50.5% year-on-year to HK\$389,247,000 (2024: HK\$258,595,000). Benefiting from the rising global demand for data centre construction and energy storage applications, alongside the Group's technological strengths in laser welding and automated production, the ICT business secured new projects from key customers during the year, with sustained improvements in order quality and added value. In view of the significant growth in the scale and strategic importance of the ICT business, management has officially designated it as the Group's third reporting segment in 2025, underscoring its strategic significance.

Fuelled by the rise in new energy and intelligentisation trends, the automotive component segment saw a rise in revenue by 9.6% year-on-year to HK\$2,136,203,000 (2024: HK\$1,948,342,000). This growth momentum was mainly driven by the continued ramp-up of capacity at the Group's industrial parks in Wuhan and Chongqing, as multiple new energy and intelligent vehicle projects entered mass production. The Mexico operations experienced a slight short-term revenue dip due to adjustments in customer mix and product portfolio focusing on higher value-added projects, yet its profitability continued to improve. Overall, the automotive component segment achieved synchronised growth in revenue and profit, further reinforcing its position as the Group's second core growth engine.

Benefiting from the ongoing cost reduction and efficiency initiatives, lean production and product mix optimisation measures over the past few years, the Group was able to improve its overall gross margin in 2025 to 22.3% (2024: 21.8%) despite a modest turnover decline. Although the OA equipment segment's lower capacity utilisation exerted some pressure on the overall gross margin, the effectiveness of the aforementioned measures became increasingly evident, effectively offsetting the related negative impact. By increasing the proportion of high-value-added products and reducing low-margin orders, operating EBITDA (earnings before interest, tax, depreciation and amortisation) grew 5.1% to HK\$712,604,000 (2024: HK\$677,473,000) year-on-year, with profit attributable to shareholders remaining stable.

To navigate external uncertainties, the Group continued its long-standing prudent and steady financial management strategy in 2025, maintaining its debt reduction targets through prioritised repayment of bank loans and disciplined CAPEX planning that carefully considered repayment capacity. As a result, the net debt-to-equity ratio was reduced from a high of 25.2% in 2023 to 15.0% in 2024, and was further optimised to 14.1% in 2025. The Group also refined its debt structure by timely securing lower-cost funding to reduce finance costs.

# MANAGEMENT DISCUSSION AND ANALYSIS

Major CAPEX for the year was concentrated on the construction of the industrial park in Quang Ninh, Vietnam, equipment investments and production line upgrades in Wuhan, Chongqing, and Mexico, as well as automation enhancements for the ICT business. Given that major global economies gradually entered interest rate cut cycles in the second half of 2025, overall financing cost pressures eased somewhat. The Group has ample cash and cash equivalents, which, together with undrawn bank facilities, provide sufficient support for future business development and CAPEX plans.

Supported by the aforementioned prudent CAPEX measures and the continued deleveraging policies, the Group's financial position remained sound, providing a solid foundation to capture medium- to long-term opportunities arising from industry upgrades and supply chain restructuring amid a volatile market environment.

## SEGMENT BUSINESS REVIEW

### Office Automation ("OA") Equipment Business

The Group has deep-rooted expertise in the OA sector for over three decades. It primarily provides one-stop services such as mould development, component production, and complete machine assembly for high-end products, including laser printers and multifunction printers for international leading brands as well as Chinese domestic customers. In 2025, impacted by the adjustments to US tariff policies and major customers' capacity relocation to Southeast Asia, the OA equipment segment turnover declined by 14.4% year-on-year to HK\$3,502,370,000 (2024: HK\$4,089,989,000). The tariff effects were primarily manifested in OA customers confronting end-market demand uncertainties, leading to active destocking and deferred new orders, with some projects originally scheduled for production in the second half of the year postponed to 2026. Further, to mitigate tariff risks, major customers accelerated capacity relocation. However, the Group's new capacity ramp-up in Vietnam is still in a transitional phase, making it unable to fully absorb the transferred orders in the short term, resulting in a decline in overall capacity utilisation in the OA business. In addition to the above factors, while the cost hikes from tariff adjustments can be gradually passed on to customers through negotiations, they will still be reflected in the financial statements in the short term.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **OA Equipment Business Performance by Geographical Region**

### ***Southern China (Shenzhen)***

In Shenzhen, as market-leading Japanese customers such as Fujifilm and Kyocera relocated orders to Southeast Asia due to escalating geopolitical issues, the Group saw a 7.6% year-on-year decline in turnover. Given the accelerated relocation of orders from Southern China to Southeast Asia due to tariff policies, the Group will actively deepen strategic cooperation with customers to jointly address market changes. At the same time, it will comprehensively assess and advance further expansion in the Southeast Asian market, leveraging the region's production advantages and resource allocation to serve core strategic customers more effectively. Despite the gradual expansion of Southeast Asia capacity, the Group's industrial park in Shenzhen continues to serve as the strategic operational hub for the OA business, performing key functions in R&D, project management, supply chain coordination, and customer support. The complementary collaboration between the Shenzhen and Vietnam bases enables flexible adjustments to production layouts and supply solutions in response to external uncertainties, including political, economic and climate factors, thereby strengthening the Group's overall resilience and long-term competitive edge.

### ***Eastern China (Suzhou)***

Impacted by the ongoing relocation of traditional OA orders from Canon and Ricoh to Southeast Asia, revenue from the industrial park in Suzhou declined by 10.1% year-on-year. The Group strived to stabilise the operations at the industrial park in Suzhou by optimising its product mix, streamlining its organisation structure, and strengthening strategic cooperation with existing customers. Meanwhile, the industrial park in Suzhou has actively expanded into sectors beyond OA business, successfully securing new customers such as Meituan and Ninebot. This diversification of the customer base has helped boost capacity utilisation and tap into the high-growth potential of the smart equipment market.

### ***Northern China (Weihai)***

The Group's industrial parks in Weihai continued to serve as the primary hub for the domestic OA orders. However, due to changes in consumption patterns within China's domestic market, its annual turnover plunged by 38.0% year-on-year. Chinese consumers have increasingly favoured more affordable mass-market office and home printers, prompting the Group's major Japanese high-end product customers to progressively scale back their production in China. Given the ongoing pressure on Weihai operations, the Group entered into a sale and purchase agreement with Weihai Gaoxin Innovation Park Operation Management Co., Ltd in July 2025 to sell the land parcel and factory premises at Weihai (Intops), integrating its existing operations into the Group's industrial park in Double Islands Bay, Weihai to streamline resource allocation and improve overall manufacturing, production and operational efficiency. The move will not only help centralise management and enhance synergies for the Group but also reduce operating costs, while realising the value of its assets to improve cash flow and providing greater financial support for future development.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Vietnam*

Influenced by geopolitical factors and customers' strategy of relocating capacity to Southeast Asia, the industrial park in Vietnam has gradually absorbed orders transferred from Southern China, primarily by Japanese customers such as Fujifilm and Kyocera. However, the existing capacity at the industrial park in Haiphong, Vietnam is limited. In addition, as the industry is still in a transitional phase of relocating capacity to Southeast Asia, time is needed for production adjustments. Furthermore, disruptions from typhoons and other natural disasters in Vietnam have resulted in some orders being temporarily redirected back to Shenzhen. Consequently, the Vietnam operations have not yet been able to fully offset the decline in orders from Southern China.

Meanwhile, to enhance long-term production capabilities, the production lines at the new industrial park in Quang Ninh, Vietnam, are under active preparation, though ramp-up will take time before production commences and is not yet in place in the short term. Despite these factors, the Vietnam region's overall performance demonstrated relative resilience, with annual turnover down by 7.6% year-on-year, which was significantly lower than the 14.4% decline in the Group's overall OA business. Although the Shenzhen base has received some backflow orders from Vietnam amid typhoon disruptions, its turnover has declined due to the migration trend of Japanese customers, failing to reverse the overall downward trend.

Construction of the Group's new industrial park in Quang Ninh, Vietnam, progresses steadily, with completion and commissioning expected in April 2026. This will substantially expand Vietnam's total capacity, enabling the Group to undertake more orders transferred from China by international customers. The Group believes that the southward relocation of orders to Vietnam will help enhance business competitiveness, allowing it to leverage Vietnam's low costs, favourable policies, and geographical proximity to China to drive medium to long-term growth in the OA business. The Group remains optimistic about its business prospects in Vietnam over the coming years. Although the US tariff policies posed short-term shocks to the manufacturing industry in Vietnam, recovery has emerged recently with rising production output and restored business confidence. While the manufacturing sector in Southeast Asia is anticipated to maintain robust appeal, the Group expects the output capacities of its industrial parks in Haiphong and Quang Ninh in Vietnam to reach peak utilisation.

## **OA Equipment Segment Result and Business Outlook**

In 2025, the OA equipment segment profit declined year-on-year to HK\$254,982,000 (2024: HK\$307,392,000), primarily due to the impact of US tariff policies causing temporary customer order softness and consequently lower capacity utilisation. The segment profit margin only edged down slightly by 0.2 percentage point to approximately 7.3% (2024: 7.5%), demonstrating the effectiveness of long-standing lean production and rigorous cost control measures in sustaining profitability despite a 14.4% revenue contraction, providing a solid support for navigating external uncertainties and capturing market recovery opportunities.

# MANAGEMENT DISCUSSION AND ANALYSIS

In recent years, the global laser printer market has sustained steady growth. The Group believes that the decline in orders caused by tariff policy adjustments is temporary, and that the overall industry remains resilient. International mainstream brands such as Fujifilm, Canon and HP have long dominated the market, securing key clients in corporate, education, healthcare, government and financial institutions. In recent years, Chinese domestic brands such as Lenovo, Pantum, and Zhixiang have rapidly risen through price-performance advantages. According to third-party survey data, the market share of domestic laser printers in China has increased from 16% in 2010 to 42% in 2025. In the face of the growing demand for domestic brands and mass-market printing products in China, the Group actively seized opportunities by stepping up investment in complete machine R&D and product engineering to drive a transition toward ODM models, on its long-established OEM foundation. During the year, the Group formed close partnerships with major Chinese printer brands such as M&G, Lanxum and Zhixiang, gradually extending its scope from component supply and assembly services to complete machine design and verification, offering customers one-stop D-EMS solutions, with large-scale production and deliveries scheduled to begin successively in 2026. The Group aims to expand D-EMS business continuously, delivering bespoke integrated services to long-standing overseas partners and new domestic customers in China. This approach will diversify capacity structure and product mix, while enhancing market competitiveness of its OA business.

In response to external uncertainties, the Group will expedite the deployment of production capacity in Southeast Asia. The new industrial park in Quang Ninh, Vietnam, is scheduled to officially commission in April 2026. Meanwhile, the Group is actively reviewing the scale of capacity in Southeast Asia and anticipates future opportunities to further expand factories and add production lines in other Southeast Asian countries, effectively mitigating regional risks and building a more resilient global supply chain.

In terms of business development, the Group successfully launched robotics-related business during the year and established strategic cooperation with leading domestic intelligent robotics customer. The first batch of complete machines was delivered in August 2025, with delivery volumes expected to surge substantially in 2026, injecting fresh momentum into the diversification of the OA business.

## **Automotive Component Business**

In 2025, growth in the global light vehicle market slowed, with annual sales recording only a low single-digit percentage increase. The US and European markets performed relatively weakly, while Asia – particularly China – remained the primary growth engine. The penetration of new energy vehicles (NEV) continued to rise, coupled with accelerated adoption of intelligent driving applications, creating an entirely new demand structure for the automotive supply chain. The Chinese government policies such as trade-in programmes and NEV subsidies further solidified the growth momentum in the domestic NEV market. Against this backdrop, the Group's automotive component segment delivered robust performance, with annual turnover recording a surge of 9.6% year-on-year to HK\$2,136,203,000 (2024: HK\$1,948,342,000), reflecting the business' entry into a phase of stable growth.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Automotive Component Business by Region

### *Wuhan*

Building upon the strong sales momentum from 2024, the industrial park in Wuhan continued to deliver outstanding performance throughout 2025, with annual turnover surging 28.9% against the same period last year. The growth was mainly driven by the steady volume ramp-up from the Great Wall Motor project and the phased progress in new market development. During the year, the industrial park successfully secured new orders for moulds, seat frames, chassis and other components from various NEV makers at home and abroad, including Changan Automobile, while introducing new business sources and growth momentum to the Group's domestic and overseas automotive components production bases.

As the technology development and operations control centre, Wuhan operation provides critical support for new automotive components projects through technology output solutions, mould development, and product R&D, while integrating resources from domestic sites like Wuhan and Chongqing with Mexico to enable efficient connections among domestic and overseas bases. Going forward, the industrial park in Wuhan will continue to deepen internal mechanism reforms, actively adopt cutting-edge technologies to accelerate product upgrades and solidify its premium positioning in the high-end market. The industrial park has not only strengthened its technical capabilities in welding assembly for automobile seats, chassis, battery boxes, and more, but has also actively recruited talent to secure high-quality orders and drive sustainable future growth.

### *Chongqing*

As an economic engine in central and western China, driven by strong government policy support over the past two years, the Group's industrial park in Chongqing is about to enter a phase of rapid expansion. In 2025, the automotive component business in Chongqing demonstrated strong growth momentum, with annual turnover surging 41.1% year-on-year, mainly propelled by the successive mass production of new projects for popular models from Changan Nevo, Deepal, Avatr and Great Wall Motor.

The industrial park in Chongqing continued to provide customers in Southwest China with ancillary services, including the concurring engineering of auto body and the module assembly and delivery of functional auto body components. During the year, the Group further deepened the long-term strategic partnerships with premium OEMs such as Great Wall Motor, Changan Automobile and SGMW. The industrial park's newly introduced hot forming technology has smoothly entered production, with hot-formed components for Great Wall Motor now in mass production and related projects for Dongfeng Motor gearing up for volume production, further solidifying the Group's market position in automotive body structural components. This technology achieves ultra-thin and ultra-light processing of metal sheets through high-temperature forming to meet the lightweight requirements of NEVs, establishing a key foothold in the automotive lightweighting field. The Group continued to strengthen its strategic partnerships with premium domestic automakers like Great Wall Motor and Changan Automobile, broadening the scope of cooperation and project reach, accelerating the achievement of the Group's business goals in Chongqing and the southwestern region of China.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Shenzhen*

The industrial park in Shenzhen serves as the core strategic hub for the Group's automotive components business, focusing on the R&D and manufacturing of automobile seat moulds, with products primarily exported to the US and European markets while simultaneously fulfilling orders from domestic and Japanese customers, laying a solid foundation in the international market. During the year, benefiting from steady growth in domestic automobile sales and strong recognition of the Group's technical quality by European customers, the automotive component business in Shenzhen recorded a 16.8% increase in turnover. This reflects the Group's resilience and competitiveness in the automotive mould business amid sustained global demand for precision moulds in the automobile industry. During the year, the Group continued to actively advance its market expansion strategy. New orders secured on hand include mould and component projects from Japanese client Adient as well as other core mould export orders, bolstering the order backlog to support sustained revenue growth.

As a specialised production base toward global markets and the Group's strategic centre, the industrial park's led technology research has become the core innovation engine for the Group's automotive components business. The park continues to accumulate multiple valid patents, securing several new invention and utility model patent grants during the year while actively advancing multiple applications. Management expects these innovation outcomes to drive continuous product upgrades, injecting strong technological momentum into the park's long-term development.

## *Zhongshan*

Amid rising geopolitical risks, domestic Japanese automakers have experienced substantial production cuts over the past two to three years. Therefore, the Group promptly adjusted its business development strategy in Zhongshan. The Group focused intensively on Japanese automaker customers several years ago, but has now redirected resources towards the NEV powertrain sector. This transition positions the Group to evolve into a comprehensive solutions provider, with business spanning the new "three-electric" (batteries, motors and electronic controls) automotive system and photovoltaics-storage-charging system.

In addition to actively pursuing in-depth collaborations with a core customer on an vehicle electronics project, the Group has been vigorously expanding its customer base, optimising product structure, and prompting diversification of customer and business portfolios, so as to mitigate operational risks and the impact of single-market volatility of the industrial park in Zhongshan. During the year, despite headwinds from declining sales at automakers such as GAC Honda and GAC Toyota in South China, the Group leveraged growth in "three-electric" related businesses to buck the trend and drive overall business growth, offsetting the decline in traditional businesses and resulting in a modest 2.7% increase in turnover. Concurrently, facing intensifying market competition, the Group continued to implement cost reduction and efficiency enhancement measures in Zhongshan, optimising operational efficiency and cost structures to further elevate its overall competitiveness and earnings quality.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Mexico*

As the bridgehead for the Group's automotive component business in the North American market, the industrial park in Mexico continued to strengthen internal reforms in 2025, resulting in a 12.5% year-on-year decrease in turnover. As existing customer orders exceeded capacity and margins on certain projects narrowed, the Group has focused its efforts on proactively optimising its customer and project mix during the year to free up production capacity for high-value orders, thereby improving operational quality and profitability. During the year, the Group successfully adjusted its customer structure and secured orders for seats and battery packs from a globally renowned NEV OEM, which are expected to ramp up to mass production in the second half of 2026. At the same time, while maintaining a stable order flow from existing customers, the Group secured several new high-value project nominations, including those from Stellantis.

In 2025, with the industrial park in Wuhan serving as the core technological and resource coordination backbone, the Group has progressively consolidated and strengthened the management capabilities and operational synergies of the Mexican team. In the second half of 2025, the Group's efforts in Mexico focused on cost reduction and efficiency enhancement initiatives. By optimising processes, upgrading management and strengthening quality control, the Group aims to improve overall product quality and profitability. Meanwhile, to better meet the rapidly growing and increasingly diversified order demands of existing and new customers in Mexico, the Group has planned to increase investments in equipment for battery pack welding, electrophoresis coating lines and laser welding at the industrial park in Mexico to further enhance technical capabilities and production capacity while driving internal production system toward higher efficiency and enhanced management to achieve management upgrades. Management will continue to develop a more diversified customer base and deepen cooperation with OEMs. Capitalising on the trend of manufacturing reshoring to North America, it will steadily expand its customer portfolio, thereby creating more opportunities to secure orders for the Group's domestic automotive component business.

## **Automotive Component Segment Results and Business Outlook**

The automotive component business recorded segment profit of HK\$135,260,000 for 2025 (2024: HK\$93,851,000), representing a robust 44.1% surge year-on-year, primarily propelled by the increase in the production scale of the NEV projects at the industrial parks in Wuhan and Chongqing. Segment profit margin improved markedly to approximately 5.9% (2024: 4.6%), fully reflecting efficient capacity release from the domestic industrial parks in China, high-margin contributions from new energy-related businesses, and benefits from an optimised customer portfolio. Despite lower capacity utilisation at the industrial park in Mexico due to order adjustments, customer mix enhancements and internal management improvements enabled it to deliver net contributions to the segment profitability against the headwinds, solidifying the foundation of earnings for the Group's automotive component segment.

# MANAGEMENT DISCUSSION AND ANALYSIS

Electrification and intelligenisation technology are powering rapid growth in China's automotive industry. Looking ahead, favourable policies such as "trade-in for new" will continue to stimulate domestic NEV consumption. With NEVs gaining dominance in the automotive market, enterprises must continuously improve their products, technologies, and quality. Amid multifaceted changes in the international and domestic environment, the Group prioritises innovation breakthroughs and capacity enhancement, actively strengthening its core technological edges and seizing NEV opportunities by deepening smart manufacturing, green technologies and advanced materials, while cultivating high-calibre technical talent and professional teams. These strategic initiatives are progressively translating into robust performance growth for the segment, fully reflecting high market recognition of the Group's products and services, as well as its resilient operations amid a complex industry environment.

## **Information and Communications Technology (ICT) Business**

As artificial intelligence (AI) and big data applications proliferate rapidly, global data centre construction and upgrades are accelerating, driving sustained demand for high-performance and high-reliability server equipment and related components. The Group has strategically laid out its ICT business since 2022, focusing on developing metal components for internet servers and energy storage equipment, including server control boxes, energy storage units and inverter structural components.

In 2025, the global ICT industry faced dual transformations of technological iteration and supply chain restructuring, with AI computing power demand maintaining strong growth momentum. Servers and other core hardware precision structural components have become pivotal to industry upgrades. Driven by the wave of domestic substitution, the industry is poised for substantial development opportunities.

The business model of the ICT business differs significantly from that of the traditional OA business in terms of customer structure, product technology and market cycles. Given the unique nature and strategic importance of the ICT business, in 2025 the Group's management carved out the ICT business from the original OA equipment segment to establish it as the Group's third core segment alongside the OA business and the automotive component business. This move provides a clearer picture of the growth trajectory of the ICT business and establish a more defined management framework for future resource allocation and strategic planning.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ICT Business Performance

In 2025, the ICT business continued to focus on R&D and production of precision structural components for AI computing servers, switches, storage devices and related equipment enclosures, striving to become a leading global provider of ICT smart manufacturing solutions. Building upon the strong growth momentum from the first half, the Group continued to seize opportunities arising from the rapid development of AI and the digital economy, achieving a 50.5% year-on-year surge in revenue to HK\$389,247,000 (2024: HK\$258,595,000), elevating its contribution to the Group's overall turnover from 4.1% in 2024 to 6.5% in 2025. This growth was primarily driven by the introduction of advanced laser welding and automated production equipment, which effectively boosted production efficiency and yield rates. This enabled the Group to secure a major order from a leading domestic high-tech customer, alongside the steady expansion of new clientele beyond its core domestic high-tech customer. During the year, in addition to continuously deepening its strategic cooperation with the leading domestic high-tech enterprise, the Group successfully onboarded premium new customers such as Inspur Information, steadily building a diversified portfolio of server and energy storage equipment customers.

In terms of technology, the Group is committed to investing in R&D, adopting cutting-edge manufacturing processes and automated production equipment to accumulate a number of invention and utility model patents, mastering core technologies such as server chassis automated assembly and progressive mould stamping. The Group has fully implemented advanced digital management systems to build a highly efficient smart manufacturing ecosystem, significantly boosting production efficiency and yield rates to earn high praise from customers. The Group has also actively promoted lean production, cost reduction, and efficiency enhancement measures, which have substantially improved product manufacturing efficiency, effectively lowered production costs and earned high recognition from customers. Leveraging the Group's core capabilities and resource advantages, the ICT business will steadily expand in scale and strength, emerging as a key growth engine and vital source of core competitiveness for the Group in the future.

## ICT Segment Results and Business Outlook

The ICT division recorded a segment profit of HK\$21,095,000 (2024: HK\$21,863,000) in 2025 and segment profit margin of approximately 5.1% (2024: 8.2%). Despite substantial revenue growth in ICT operations, the absence of inventory provision reversals recorded in 2024, which is a non-recurring item, resulted in a lower segment profit margin in 2025. Excluding this one-off factor, the ICT segment is expected to sustain steady profit growth driven by increasing order intake.

# MANAGEMENT DISCUSSION AND ANALYSIS

With sustained AI computing power demand surge and rising domestic server market share, the Group will remain focused on its core ICT customers and deepen its precision manufacturing capabilities to drive high-quality and sustainable growth. Management anticipates the ICT business to emerge as the Group's third scalable core growth engine, following OA equipment and automotive component businesses. It is expected to offset, in the medium to long term, the impacts of OA order outflows from South China and the slowdown in certain automotive mould exports, thereby bringing new vitality and opportunities to the Group. The Group will continue to ramp up investments in core ICT technology R&D, including expanding product lines for servers and energy storage equipment, and continuously adopting laser welding and automation technologies to enhance product consistency and yield rates; while actively pursuing more domestic and overseas ICT customers to establish a diversified global customer portfolio and to achieve dual growth in scale and efficiency.

# FINANCIAL REVIEW

An analysis of the Group's turnover and results by segment is as follows:

|                                                          | <b>2025</b>             |              | <b>2024</b>      |       |
|----------------------------------------------------------|-------------------------|--------------|------------------|-------|
|                                                          | <b>HK\$'000</b>         |              | <b>HK\$'000</b>  |       |
| <b>By business segment</b>                               |                         |              |                  |       |
| <b>Turnover</b>                                          |                         |              |                  |       |
| <i>Office automation equipment division</i>              |                         |              |                  |       |
| Design and fabrication of moulds                         | <b>145,874</b>          | <b>2.4%</b>  | 245,430          | 3.9%  |
| Manufacturing of components                              | <b>3,319,769</b>        | <b>55.1%</b> | 3,803,934        | 60.4% |
| Others (Note 1)                                          | <b>36,727</b>           | <b>0.6%</b>  | 40,625           | 0.6%  |
|                                                          | <b><u>3,502,370</u></b> | <b>58.1%</b> | <u>4,089,989</u> | 65.0% |
| <i>Automotive component division</i>                     |                         |              |                  |       |
| Design and fabrication of moulds                         | <b>139,853</b>          | <b>2.3%</b>  | 147,185          | 2.3%  |
| Manufacturing of components                              | <b>1,911,510</b>        | <b>31.7%</b> | 1,719,714        | 27.3% |
| Others (Note 1)                                          | <b>84,840</b>           | <b>1.4%</b>  | 81,443           | 1.3%  |
|                                                          | <b><u>2,136,203</u></b> | <b>35.4%</b> | <u>1,948,342</u> | 30.9% |
| <i>Information and communication technology division</i> |                         |              |                  |       |
| Design and fabrication of moulds                         | <b>54,604</b>           | <b>0.9%</b>  | 29,927           | 0.5%  |
| Manufacturing of components                              | <b>333,523</b>          | <b>5.5%</b>  | 227,545          | 3.6%  |
| Others (Note 1)                                          | <b>1,120</b>            | <b>0.0%</b>  | 1,123            | 0.0%  |
|                                                          | <b><u>389,247</u></b>   | <b>6.5%</b>  | <u>258,595</u>   | 4.1%  |
| Total                                                    | <b><u>6,027,820</u></b> |              | <u>6,296,926</u> |       |
| <b>Segment results</b>                                   |                         |              |                  |       |
| Office automation equipment division                     | <b>254,982</b>          |              | 307,392          |       |
| Automotive component division                            | <b>135,260</b>          |              | 93,851           |       |
| Information and communication technology division        | <b>21,095</b>           |              | 21,863           |       |
| Operating profit                                         | <b>411,337</b>          |              | 423,106          |       |
| Unallocated expenses                                     | <b>(47,575)</b>         |              | (50,417)         |       |
| Finance income                                           | <b>26,161</b>           |              | 32,429           |       |
| Finance costs                                            | <b>(100,629)</b>        |              | (121,139)        |       |
| Share of profit/(loss) of associates                     | <b>2,404</b>            |              | (7,593)          |       |
| Income tax expense                                       | <b>(47,071)</b>         |              | (32,879)         |       |
| Profit attributable to equity holders of the Company     | <b><u>244,627</u></b>   |              | <u>243,507</u>   |       |

Note 1: Others mainly represented sales of scrap materials.

## Turnover

During the year, the Group's turnover recorded a modest decline by 4.3% to HK\$6,027,820,000 compared with last year, primarily due to a temporary downturn in the office automation ("OA") equipment business segment impacted by tariff pressures which triggered an uncertainty in end-market demand, temporary order declines due to customer destocking and order deferrals to next year, as well as customer production relocation to Southeast Asia. The decline in OA equipment segment, however, was partially offset by strong order momentum from the automotive component and the information and communication technology ("ICT") segments.

## Gross profit

During the year, the Group's gross profit margin improved to 22.3% (2024: 21.8%), mainly driven by strong order growth from automotive component and ICT segments, as well as the Group's efforts in optimising production efficiency and cost control measures to mitigate margin pressure. In spite of the downturn in the OA business, the OA equipment segment's gross profit margin has remained steady. In addition, continued capacity ramp-up at the Wuhan and Chongqing industrial parks as a result of the mass production of multiple automotive component projects, as well as increased capacity utilisation in the ICT business, contributed positively to the gross profit margin and netted off the margin pressure arising from the decline in the OA equipment segment.

## Segment results

For the year ended 31 December 2025, the Group's OA equipment division recorded a reduction in the segment margin to 7.3% (2024: 7.5%) mainly due to the downturn in the OA equipment segment impacted by tariffs which triggered an uncertainty in end-market demand causing deferral of orders to next year, as well as customer production relocation as aforementioned. Despite these challenges, the Group continued to optimise production efficiency and cost control measures to mitigate margin pressure.

Benefiting from higher utilisation rates in the production plants in Wuhan and Chongqing, the segment margin of the Group's automotive component division improved to 5.9% (2024: 4.6%). In addition, the Group's operations in Mexico began to contribute positive profit during the year, supported by the successful restructuring of its customer portfolio to focus on higher value-added products.

Meanwhile, despite stronger project orders, the ICT division recorded a drop in segment margin to 5.1% (2024: 8.2%). This was primarily because the Group reversed a portion of inventory provision for the ICT segment in 2024, thereby elevating the segment margin in the previous year, while no such reversal occurred in 2025.

## Unallocated expenses

For the year ended 31 December 2025, unallocated expenses mainly represent corporate expenses of HK\$47,575,000 (2024: HK\$50,417,000).

# FINANCIAL REVIEW

## Finance income and costs

The Group's finance income and costs have both reduced, resulting to HK\$26,161,000 (2024: HK\$32,429,000) and HK\$100,629,000 (2024: HK\$121,139,000) respectively. The decline in finance costs was mainly attributable to the gradual easing of market interest rates and the Group's effective deleveraging efforts, which led to a lower level of outstanding borrowings. Finance income also decreased, primarily due to a reduction in cash balances resulting mainly from increased capital expenditure for commissioning the new industrial park in Quang Ninh, Vietnam during the year. The decrease in cash balances was also attributable to higher working capital requirement at year-end, as the Group began to stock up towards the end of 2025 in preparation for the recovery of OA orders in 2026. The temporary order slowdown caused by tariffs had largely been reflected by the end of 2025, and demand was showing signs of normalisation, leading to inventory buildup during the fourth quarter.

## Share of profit/(loss) of associates

Share of profit (2024: share of loss) of associates mainly represents the Group's share of 40% of the profit (2024: loss) of the micro-lending business through equity pick-up.

## Income tax expense

Income tax expense for the year ended 31 December 2025 mainly represents current income tax charge amounting to HK\$40,637,000 arising from Mainland China, HK\$6,734,000 arising from Vietnam and HK\$11,512,000 arising from Mexico, netted off by over-provision of income taxes in prior years amounting to HK\$10,758,000 and deferred income tax credit of HK\$1,054,000.

## Profit attributable to equity holders of the Company

For the year ended 31 December 2025, the profit attributable to equity holders of the Company was HK\$244,627,000 (2024: HK\$243,507,000).

## LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2025, the Group's cash flows generated from operations decreased to HK\$707,034,000 (2024: HK\$862,394,000), which was primarily due to tighter working capital, with additional cash tied up mainly by inventory buildup in the fourth quarter. Despite reduced interest and tax payments, the Group's net cash generated from operating activities dropped to HK\$598,623,000 (2024: HK\$713,778,000). During the year, the Group's capital expenditure increased to HK\$507,121,000 as the Group commissioned the new industrial park in Quang Ninh, Vietnam during the year to meet rising customer demand in Southeast Asia. Therefore, the Group recorded net cash used in investing activities amounting to HK\$518,401,000 (2024: HK\$289,844,000). The Group had a net decrease in bank borrowings of HK\$125,430,000 and lease payments of HK\$26,674,000 during the year. After payment of dividend of HK\$74,927,000, the Group recorded net cash used in financing activities of HK\$234,996,000 (2024: HK\$282,984,000) during the year.

## Treasury policy

The Group adopts a prudent treasury policy. Treasury activities are controlled by senior management members with an objective of achieving a balance between the Group's expansion needs and its financial stability. An adequate level of cash resources is maintained by each of the Group's subsidiaries, and the Group also have sufficient stand-by credit lines to provide adequate liquid funds to finance its business activities. Due consideration is given for the cost of borrowings. We also consider impacts of interest rates fluctuation on our operations and financial condition, and take appropriate and timely measures accordingly. In addition, as a majority of the Group's sales are made in Hong Kong dollars and United States dollars (which are pegged), almost all of the Group's borrowings as at 31 December 2025 were denominated in Hong Kong dollars and United States dollars to match repayment currency with the Group's major source of operating cash inflows. Looking ahead, the Group will adhere to conservative financial management policies and remain committed to maintaining a healthy balance sheet.

## Key financial performance indicators

|                                                           | <b>31 December<br/>2025</b> | 31 December<br>2024 |
|-----------------------------------------------------------|-----------------------------|---------------------|
| Inventory turnover days ( <i>Notes 1 and 5</i> )          | <b>63</b>                   | 48                  |
| Debtors' turnover days ( <i>Notes 2 and 5</i> )           | <b>107</b>                  | 104                 |
| Creditors' turnover days ( <i>Notes 3 and 5</i> )         | <b>120</b>                  | 112                 |
| Cash conversion cycle ( <i>Notes 4 and 5</i> )            | <b>50</b>                   | 40                  |
| Current ratio ( <i>Notes 6 and 8</i> )                    | <b>1.36</b>                 | 1.53                |
| Net debt-to-equity ratio ( <i>Notes 7 and 8</i> )         | <b>14.1%</b>                | 15.0%               |
| Net profit margin ( <i>Notes 9 and 11</i> )               | <b>4.1%</b>                 | 3.9%                |
| Return on shareholders' equity ( <i>Notes 10 and 11</i> ) | <b>7.3%</b>                 | 7.8%                |

### Notes:

1. Calculation of inventory turnover days is based on the ending inventories divided by cost of sales and multiplied by the number of days during the year.
2. Calculation of debtors' turnover days is based on the ending balance of trade receivables divided by turnover and multiplied by the number of days during the year.
3. Calculation of creditors' turnover days is based on the ending balance of trade payables divided by cost of sales and multiplied by the number of days during the year.
4. Cash conversion cycle is defined as the total sum of inventory and debtors' turnover days less creditors' turnover days.

# FINANCIAL REVIEW

5. These ratios have a significant impact on the ability of the Group to generate cash flows from its operations. Therefore, they are selected as key financial performance indicators.
6. Current ratio is calculated based on the Group's total current assets divided by total current liabilities.
7. Net debt-to-equity ratio is calculated based on the total balance of bank borrowings and lease liabilities less cash and bank balances divided by shareholders' equity. Lease liabilities exclude the rentals for factory and office premises in future periods amounting to HK\$100,247,000 as at 31 December 2025 (as at 31 December 2024: HK\$83,755,000). These rentals have not yet been expensed, but are deemed as lease liabilities under the Hong Kong Financial Reporting Standard 16 "Leases". The ownership of the related factory and office premises is not held by the Group.
8. These ratios reflect the Group's financial stability and its ability to pay its debts as they fall due. Therefore, they are selected as key financial performance indicators.
9. Net profit margin is based on profit attributable to equity holders of the Company divided by turnover.
10. Return on shareholders' equity is based on profit attributable to equity holders of the Company divided by shareholders' equity.
11. These ratios reflect the Group's ability to generate returns from its business, and the returns obtainable by shareholders from their investments in the Group. Therefore, they are selected as key financial performance indicators.

## Inventory turnover days

The Group's inventory turnover days increased from 48 days to 63 days for the year ended 31 December 2025, primarily due to inventory build-up towards the year-end as OA equipment orders slowed down temporarily during the year but began to recover entering 2026. The stronger order momentum from the automotive component and the ICT businesses also contributed to the elevated inventory levels at year-end.

## Debtors' turnover days

Despite the decline in revenue for the year, the Group's accounts receivable remained relatively stable, indicating a gradual recovery and increasing business activities toward the year end. Accordingly, the debtors' turnover days increased from 104 days to 107 days, mainly due to the lower revenue base of the Group during the year, rather than any significant change in the receivable balance. As certain order deliveries were scheduled to early 2026, the corresponding receivables had yet to be recorded at the year-end.

## Creditors' turnover days

The creditors' turnover days increased from 112 days to 120 days mainly due to higher procurement and subcontracting activities towards the year-end as the Group stocked up materials to prepare for the recovery of OA equipment orders as well as strong orders from the automotive component and ICT segments in early 2026. Correspondingly, the trade payable balance increased as at 31 December 2025.

## Cash conversion cycle

The increase in cash conversion cycle in the year ended 31 December 2025 was mainly caused by the increase in inventory and debtors' turnover days as mentioned above.

## Current ratio and net debt-to-equity ratio

The Group remained committed to its debt reduction initiatives and repayment plans, resulting in a further decrease in total bank borrowings during the year. However, the liquidity ratio slightly declined to 1.36, mainly because more short-term bank loans were drawn to meet higher working capital requirements at year-end and certain long-term bank loans have been reclassified as current liabilities as they fall due within one year. Nevertheless, with a decrease in overall bank borrowings level this year, the net debt-to-equity ratio continued to improve, further decreasing to 14.1%, reflecting the reduction in net debt during the year.

## Net profit margin and return on shareholders' equity

The increase in the Group's net profit margin from 3.9% to 4.1% was caused by the increase in profit attributable to equity holders of the Company, as explained in the section headed "Financial Review" above. Despite a slight improvement in net profit margin from 3.9% to 4.1%, the return on shareholders' equity decreased from 7.8% to 7.3%. This was mainly due to an increase in the shareholders' equity during the year, driven by profit retention, other comprehensive income and the Group's ongoing debt reduction initiatives which lowered the overall gearing level, while net profit remained relatively stable.

## FOREIGN CURRENCY EXPOSURE

For the year ended 31 December 2025, the Group's sales and raw material purchases were denominated in the following currencies:

|                   | Sales | Purchases |
|-------------------|-------|-----------|
| Hong Kong dollars | 13.8% | 1.3%      |
| US dollars        | 47.3% | 51.1%     |
| Renminbi          | 37.2% | 46.8%     |
| Other currencies  | 1.7%  | 0.8%      |

# FINANCIAL REVIEW

A majority of the Group's customers and suppliers in China, Vietnam and Mexico are reputable international companies which use United States dollars (USD) as settlement currency. Accordingly, approximately 61.1% of the Group's sales and 52.4% of its raw material purchases were made in USD and Hong Kong dollars (HKD) (which are pegged to USD) during the year. The Group also has a policy of using Renminbi to settle the purchases of raw materials used for Renminbi denominated sales. Sales and raw material purchases denominated in currencies other than USD, HKD and Renminbi were mainly related to initial trial orders with new customers and suppliers, and therefore their percentages to our total turnover and purchases were small. Should these sales and raw material purchases increase in the future, we will take appropriate actions to safeguard ourselves from any potential exchange rate risk that may arise from dealing in other currencies. Further, it is the Group's policy to strictly prohibit any speculative foreign exchange transaction which is not related to business operations.

At present, although the Group endeavours to transact sales and raw material purchases in matching currencies, the percentage of the Group's raw material purchases in Renminbi is still larger than the percentage of its sales in Renminbi due to the Group's substantial production operations in China. However, management is of the view that the exchange rate risk is not high because Renminbi is used to settle the purchase of raw materials used for Renminbi denominated sales and the portion of Renminbi purchase that is not naturally hedged is not large. Going forward, management will continue to evaluate the Group's foreign currency exposure on a continuing basis and takes actions to minimise the Group's exposure whenever necessary.

## HUMAN RESOURCES

The total number of the Group's employees was 10,341 employees as at 31 December 2025. The Group considers its employees, in particular, the skilled engineers and production management members, as its core assets since the Group's future success relies on the strengthening of its product quality and management on a continuing basis. Remuneration policy is reviewed regularly, making reference to the prevailing legal framework, market conditions and performance of the Group and individual staff. Share option schemes were adopted to attract and retain talents to contribute to the Group. However, apart from providing attractive remuneration packages, management believes that the creation of a harmonious working environment suitable for the development of employees' potentials is also important for attracting and retaining qualified staff for its future success. Training programmes are offered to employees for their continuous development. Besides, various employee activities are organised to inspire the team spirit of the Group's staff, which includes the organisation of company outings and sport activities in which the Group's employees, top management (including executive directors) and customers participate. Substantial resources were also devoted to improve the factory and dormitory environment of the Group with a view to providing an attractive working and living environment for the Group's employees.

As at 31 December 2025, the average length of services of the Group's employees below and above manager grade was 3.4 years and 7.8 years respectively.

## CHARGES ON THE GROUP'S ASSETS

As at 31 December 2025, there was no charge on the Group's assets.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

This environmental, social and governance (“ESG”) report provides an annual update on the Group’s sustainability management approach, strategies, initiatives and the overall ESG performance. Information and data of the previous year are provided for reference.

## REPORTING BOUNDARY

Unless otherwise indicated, this report covers the Group’s sustainability strategies and the ESG performance during the period from 1 January 2025 to 31 December 2025 (the “Reporting Period” or the “Year”). The ESG information in the ESG report covers 12 major industrial parks in China (Shenzhen, Suzhou, Zhongshan, Chongqing, Sichuan, Wuhan and Weihai), Vietnam (Haiphong) and Mexico (San Luis Potosi) under operational control.

## REPORTING STANDARD

The ESG report has been prepared in accordance with the “mandatory disclosure requirements” and the “comply or explain” provisions outlined in the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

## REPORTING PRINCIPLES

The Group ensures proper presentation of quality information by following the reporting principles:

|              |                                                                                                                                                        |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Materiality  | Material ESG issues are determined by stakeholder engagement and reviewed by the Board to ensure the significance to the Group’s operation.            |
| Quantitative | Quantitative metrics are disclosed to evaluate the effectiveness of our sustainability management and to keep track of our ESG performance.            |
| Balance      | ESG performance data is presented objectively, with a complete picture of both our accomplishments and our potential improvement areas moving forward. |
| Consistency  | Unless otherwise specified, the data is calculated using consistent methodologies to allow effective year-over-year comparison.                        |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE BOARD STATEMENT

The Group is committed to integrating sustainability into every aspect of our business operations. We strive to bring a meaningful and positive impact on both the environment and the communities we serve. To achieve this, we prioritise the delivery of high-quality products and services, guided by prudent decision-making and responsible business practices.

Over the years, we have been actively engaged with a diverse range of stakeholders. Through constructive dialogue, we are dedicated to balancing the interests and perspectives of different stakeholders, ensuring a sustainable and prosperous future for the Group. During the Reporting Period, we have evaluated our materiality assessment result by drawing on insights gained from stakeholder engagement activities. Senior management has carefully reviewed and validated the identified material topics to ensure their relevance and strategic significance.

As part of our sustainability and green financing strategy, we continued to strengthen our commitment through the participation in sustainability-linked loans. We have also reinforced robust reporting policies and procedures with frameworks developed from widely recognised principles set forth by the Loan Market Association. With well-defined quantitative environmental targets and key performance indicators (KPIs) in place, the Group remains steadfast in advancing its sustainability agenda and contributing to a more sustainable future.

The Board plays a key role in overseeing the execution of ESG policies throughout our operations, while evaluating the impact of major ESG and climate-related risks and opportunities on the Group's business. It provides guidance to management on incorporating these considerations into critical decisions and tracks the Group's ESG performance. Our goal is to enhance sustainability while maximising long-term value for our shareholders, while ensuring socially and environmentally responsible business operations. Additionally, the Board is accountable for establishing and maintaining effective risk management and internal control systems. The Group's management provides regular updates to the Board on the effectiveness of these systems, as well as the progress made in setting, monitoring, and achieving ESG-related goals and targets to ensure we stay on track. To maintain expertise in various ESG topics, Board members receive regular updates and training on ESG trends and regulatory developments. The Board's ESG competence is further strengthened by the diverse backgrounds of its members, which include expertise in accounting, financial management, sales, marketing, manufacturing, and innovation technology. These efforts are aimed at fostering awareness and driving continuous improvement. Furthermore, the Group's management ensures full compliance with all applicable laws and regulations across our operations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

### Company Overview

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Group commenced business in 1993 as a mould producer and is principally engaged in the provision of precision manufacturing services with a focus on the production of high-quality and dimensionally accurate moulds and components. It has been listed on the Main Board of the Stock Exchange since 11 May 2005.

The Group is a vertically integrated one-stop precision manufacturing service provider. Its existing services mainly include i) design and fabrication of precision metal stamping and plastic injection moulds; ii) manufacturing of precision metal and plastic components using custom moulds and other sophisticated manufacturing processes; iii) lathing of metal components; and iv) assembly of precision metal and plastic components manufactured by the Group into semi-finished or finished products using automated technologies, such as laser welding and complete machine assembly lines.

The Group's business model is unique and different from ordinary OEMs/ODMs. Brand owners usually require the Group to co-develop the relevant moulds with them from the early stages of their product development. The completed moulds are then stored in the Group's industrial parks for future mass production of components and semi-finished products, which can be further assembled into finished products by the Group. Due to the high level of skills and technologies required to produce moulds, components and semi-finished products with a high degree of precision and dimensional accuracy, the Group has strong pricing power for its products.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Over the years, the Group has developed into a comprehensive one-stop enterprise integrating the three main business segments, namely, the office automation (“OA”) equipment business, the automotive component business, and the information and communication technology (“ICT”) business, and has expanded its manufacturing bases in China, Southeast Asia and North America.

The OA equipment business strives to provide design and electronic manufacturing services (“D-EMS”) for various leading brands of OA equipment in the market. It aims to provide a one-stop solution from the design and development of complete machines for products (printers, copiers and finishers) and the related moulds, to the production of precision moulds and mass manufacturing of parts and components, to the assembly of semi-finished and finished products, i.e. complete machine assembly. Its manufacturing base spans six major industrial parks in Shenzhen, Suzhou, Weihai and Vietnam (Haiphong and Quang Ninh). The Group has completed construction of a new industrial park in Quang Ninh Province, Vietnam, and the new industrial park is expected to commence operation in April 2026.

The automotive component business strives to provide moulds and products for world-renowned Tier 1 suppliers, OEMs and automakers in the industry. It focuses on supplying customers with highly compatible platform components and generic components, ultimately reducing costs, maximising profits and improving global flexibility, allowing production of popular models to be easily and quickly expanded to other factories building the same platform. The business’ main products include, but are not limited to, automotive seat frame systems, high-strength beam and chassis structural parts, and new energy-related products such as vehicle tri-electric system structural parts. The automotive component business operates six major industrial parks, located in Shenzhen (separate from the OA equipment business and the ICT business), Zhongshan, Chongqing, Sichuan, Wuhan and Mexico (San Luis Potosí).

On the foundation of its two core business segments, namely, the OA equipment business and the automotive component business, the Group has been vigorously developing its third business segment – the ICT business. The business segment is established on the foundation of the Group’s core existing stamping technology and other automated manufacturing processes, as well as laser welding technology. It aims to develop and manufacture internet server-related products, including but not limited to server control boxes, energy storage units and inverters. Its key customers include a prominent Chinese high-tech company. The ICT business currently operates an industrial park located in Shenzhen, separate from the OA equipment business and the automotive component business.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Board Oversight

The Group's governance is entrusted to its Board, which is accountable to the shareholders. The Board collectively assumes responsibility for formulating the Group's strategic business direction, setting objectives for management, overseeing performance, and assessing the effectiveness of management strategies. Furthermore, the Board evaluates and determines the nature and extent of risks it is willing to undertake in pursuit of the Group's strategic objectives. It ensures that the Group establishes and maintains robust and effective risk management and internal control systems.

The Board delegates specific responsibilities to the Group's management, including the implementation of Board-approved strategies, internal control and risk management procedures, and compliance with statutory requirements and regulations. Additionally, the Board conducts regular reviews of the performance of the operating divisions and retains a number of reserved powers to ensure effective oversight.

During the Reporting Period, the Board has held 6 full Board meetings and 1 general meeting. Regular meetings are convened by the Chairman at least four times a year, at approximately quarterly intervals and fourteen days' notice is given to all directors before such meetings. Agendas and related documents are sent to the directors at least three days prior to such meetings. During the Year, Mr. Zhang Hwo Jie, Chairman of the Board, had also met with the independent non-executive directors without the other executive directors present.

To fulfill its responsibilities, the Board reviews the performance of the operating divisions on a regular basis and also exercises its reserved powers, including:

- formulating long-term strategy;
- approving public announcements including interim and annual financial statements;
- setting dividend policy;
- approving major acquisitions, divestments and capital expenditure;
- overseeing the design, implementation and monitoring of the risk management and internal control systems by the Group's management, and reviewing the effectiveness of these systems which encompass all material controls, including financial, operational and compliance controls;

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- handling and dissemination of inside information;
- approving appointments to the Board and the company secretary; and
- approving significant borrowings and treasury policy.

The Group has a balanced board composition to ensure strong independence across the Board. More than one-third of the Board members are currently consisted of independent non-executive directors, with extensive experience in the field of accounting, financial management, sales and marketing, manufacturing, and innovation technology. With their expertise, they bring independent and objective views to the Board, give constructive advice and scrutinise the performance of the Company. The composition of the Board also complies with the requirement under rule 3.10(2) of the Listing Rules in respect of appropriate professional qualifications, or accounting or related financial management expertise.

The Group has also received from each of the independent non-executive directors a written annual confirmation that each of them and their immediate family members are independent from the Group as required under Rule 3.13 of the Listing Rules. As such, the Group considers all independent non-executive directors to be independent. Each of the independent non-executive directors has entered into a service contract with the Company for a term of two years and is subject to retirement by rotation at the annual general meetings of the Company. These contracts are terminable by the Company within one year without payment of compensation (other than statutory compensation).

To ensure a balance of power and authority, the role of the Chairman and the Chief Executive is segregated. The Chairman of the Board is Mr. Zhang Hwo Jie and the Chief Executive is Mr. Zhang Yaohua. Mr. Zhang Hwo Jie and Mr. Zhang Yaohua are brothers. However, there is a clear distinction between the Chairman's responsibility for overseeing strategic planning and management of the Board and the Chief Executive's responsibility for the management of the day-to-day operations of the Group's business.

## Stakeholder Engagement

The Group recognises the importance of maintaining close engagement and effective communication with its stakeholders. To better understand their expectations regarding our ESG performance, we have established a range of communication channels and platforms, enabling us to gather insights and provide timely responses. Throughout the Year, we actively engaged with stakeholders through various channels. This ongoing dialogue has allowed us to assess our current management approach to sustainability performance and refine our development strategies to support long-term growth.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Stakeholders Groups

## Engagement Channels

|                            |                                                                                                                           |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Regulators                 | Regulatory compliance reports<br>Meetings and conferences<br>Regulatory enforcement and inspection                        |
| Shareholders and Investors | Meetings and telephone conferences<br>Annual and interim reporting<br>Corporate website                                   |
| Customers                  | Meetings and conferences<br>Customer feedback surveys<br>Press releases<br>Factory site visits                            |
| Community                  | NGOs and external organisations<br>Sponsorship and funds                                                                  |
| Employees                  | Open and collaborative workspace environment<br>Training and workshops<br>Employee feedback and whistleblowing procedures |
| Suppliers                  | Tendering procurement practices<br>Meetings and conferences<br>Supplier site inspections                                  |

## Materiality Assessment

To identify the ESG issues that are relevant to the Group, we engaged our management and staff to review our operations and obtain feedback from internal and external stakeholders including shareholders, customers, employees, suppliers, creditors, regulators and the general public. The identified ESG issues were then assessed based on their significance to both our stakeholders and the Group, ensuring that our sustainability efforts remain aligned with key concerns and expectations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ESG issues considered to be material are listed below:

| <b>Environmental Pillar</b>                                                                                                                                                                                                                                       | <b>Social Pillar</b>                                                                                                                                                                                                                                              | <b>Governance and Innovation Pillar</b>                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Air emission and waste management</li> <li>• Electricity, water, and packaging materials consumption</li> <li>• Energy management and greenhouse gas ("GHG") emission</li> <li>• Climate risk and opportunity</li> </ul> | <ul style="list-style-type: none"> <li>• Working conditions and employee well-being</li> <li>• Occupational health and safety</li> <li>• Staff development and training</li> <li>• Anti-child and forced labour</li> <li>• Community services and care</li> </ul> | <ul style="list-style-type: none"> <li>• Business ethics and integrity</li> <li>• Anti-corruption and antibribery</li> <li>• Customer privacy and data security</li> <li>• Supply chain management</li> <li>• Quality assurance and product responsibility</li> </ul> |

## PEOPLE AND COMMUNITY

Employees are the cornerstone of our organisation. As of 31 December 2025, the Group employed a total of 10,341 staff members. With the Group's ongoing expansion, our dedicated and hardworking employees are presented with exceptional prospects for advancing their careers. We take great pride in fostering a workplace that upholds non-discriminatory employment practices, ensuring that every member of our diverse workforce is treated with fairness and respect. Within the Group, we are committed to providing a safe and healthy work environment, as well as the well-being of our employees.

### Employee Health and Well-being

The health and safety of our employees is of utmost importance to us. We are committed to cultivating a strong safety culture that encourages employees to adopt sustainable operational practices across all our facilities.

To uphold the highest standards of occupational health and safety, we adhere to international best practices and comply with the requirements of ISO 45001:2018, the globally recognised Occupational Health and Safety Management System. ISO certifications serve as a testament to an organisation's commitment to industry-leading quality, safety, and management standards. Throughout the Reporting Period, we have maintained our compliance with ISO 45001:2018, continually enhancing our occupational health and safety performance. As part of this commitment, we provide employees with comprehensive training courses and seminars covering critical topics such as product safety, workplace accidents and injuries, and fire safety procedures. These initiatives ensure that our workforce remains well-equipped to manage potential risks effectively. During the Reporting Period, we allocated a total of 96,683 training hours to employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, we have implemented rigorous measures across our industrial parks to prevent workplace accidents and occupational diseases, ensuring full alignment with government-mandated safety standards. Our operations adhere to the Certified Work Safety Standardisation requirements established by the PRC Emergency Management Bureau, as outlined by the State Administration of Work Safety. These standards are classified into three tiers: Level 1 (National Level), Level 2 (Provincial Level), and Level 3 (Municipal Level). Within our automotive component business, we are proud to highlight that our Zhongshan facilities have successfully attained Level 3 Municipal standardisation. In our OA equipment and ICT business, we are equally proud to report that three of our operations in Shenzhen and one in Suzhou have reached Level 3 Municipal standardisation. Additionally, our Vietnam operation has established robust safety procedures, including regular safety training programmes, to ensure occupational safety.

These achievements underscore our commitment to workplace safety and compliance with both national and local regulatory requirements. By fostering a culture of safety excellence across our operation, we remain dedicated to protecting our employees and maintaining the highest standards of operational integrity.

During the Reporting Period, we have conducted multiple fire drills to familiarise employees with emergency protocols and evacuation procedures in the event of a fire. By simulating real-life scenarios, we aim to enhance employee preparedness and response capabilities, minimising risks and ensuring the safety of our workforce. We continuously evaluate and refine our safety protocols based on insights gained from these exercises, reinforcing a culture of safety and preparedness throughout the organisation.



Fire Drill 2025

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, we have maintained contractual agreements with several external vendors in Shenzhen, Weihai, Suzhou, Zhongshan and Wuhan, providing hazardous waste disposal and sewage treatment services. This decision reflects our strong dedication to upholding safety standards and minimising the risk of any potential accidents. By entrusting these specialised experts, we aim to ensure the well-being of our people and foster an environment that prioritises safety above all else.

We are also committed to supporting the psychological well-being and mental health of our employees. We strive to cultivate a workplace culture that fosters stability, personal growth, and professional development. To uphold this commitment, we provide free counselling services and actively encourage participation in sports, cultural events, and artistic competitions organised by local governments and non-governmental organisations. Additionally, we offer mental health resources and promote engagement in activities such as volleyball and basketball competitions, which contribute to overall well-being while strengthening team spirit and workplace relationships.

Internally, our employee handbook that clearly defines the Group's policies and procedures on key employment matters, including compensation, recruitment, promotion, working hours, rest periods, employee welfare, and diversity and inclusion. To reinforce our commitment to inclusiveness, we regularly organise team-building activities that foster collaboration and mutual respect. These initiatives are reviewed annually to ensure they remain aligned with market conditions and our business strategy.

Our structured payroll and performance management systems, along with our remuneration and bonus policies, are designed to ensure fair and competitive compensation. Salaries are determined based on employees' experience, qualifications, individual performance, and prevailing market trends. Bonus evaluations follow a transparent assessment process, taking into account self-performance appraisals, the operational performance of respective business units, and the Group's overall financial results.

Since 2008, the Group's Employee Care Fund has been a vital source of financial support for employees facing hardship, particularly those dealing with medical challenges. This fund continues to provide both financial aid and in-kind contributions to assist employees in times of need, reinforcing our dedication to their well-being and financial security.

## Employee Engagement

We are committed to fostering a positive and inclusive work environment. To strengthen the team's bonding and enhancing workplace morale, we organised a wide range of events throughout the Year. These include team-building activities such as hiking and Mid-Autumn Festival celebrations, as well as annual festivals, competitions, and sports events that promote overall well-being.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To celebrate the International Women's Day, we have introduced several initiatives to honour and support our female employees. These efforts include hosting educational lectures on women's health to promote well-being and organising a special event called Goddess Day. As part of this celebration, we express our appreciation for our female employees by presenting them with thoughtful gifts and refreshments, reinforcing our commitment to inclusivity and employee welfare.



International Women's Day Celebration

In addition to these efforts, we actively encourage our employees to participate in sports tournaments, recognising the importance of maintaining physical health and fostering a strong sense of connection to our organisation. This year, we have facilitated a diverse range of sports games and competitions, such as basketball, volleyball, and team building activities. By offering these opportunities for friendly competition and physical activity, we aim to further motivate our employees and encourage them to work together towards the success of our organisation.



Basketball Competition 2025

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Volleyball Tournament 2025



Team Building Activities

## Development and Training

The Group places great importance on the career development of our employees and is dedicated to providing opportunities for continuous learning and professional growth. To support this commitment, we have implemented a comprehensive range of training programmes tailored to employees at all levels.

For new employees, we organise structured orientation programmes designed to provide an in-depth introduction to our industry, helping them gain a clear understanding of our operations and integrate seamlessly into our workplace. In addition, we offer ongoing training initiatives for existing employees, ranging from front-line staff to senior management, including executive directors, to enhance their skills and expertise.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To further support our employees' educational aspirations, we organise annual events such as the Business Objectives Conference, the Budget Review and Management Plan Discussion Forum, and Performance Accreditation. Every year, the Group selects different industrial parks as hosts for its annual management meetings and events, bringing together middle and senior management to exchange insights, share experiences, review budgets and brainstorm future strategies. These gatherings usually include factory visits and field studies to strengthen operational understanding. In previous years, the sessions were held in locations such as Weihai and Vietnam, combining business exchange with sightseeing activities. For 2025, the management team chose Huizhou as the venue for the annual retreat, which, while not linked to any industrial park, provided an opportunity for senior executives to step away from daily operations and focus on strategic planning and team cohesion.

These initiatives foster a culture of excellence by encouraging high performance, improving employee retention, and recognising outstanding contributions. Additionally, we provide sponsorship for job-related courses offered by external institutions, enabling employees to expand their knowledge and advance in their careers.

Recognising the importance of staying informed about market conditions, industry trends, and economic developments, we actively engage our managerial employees in annual conferences and discussion forums. These platforms allow middle management and senior leaders to exchange insights, share perspectives, and align business strategies with industry developments. Through this culture of knowledge sharing, we broaden our collective vision and strengthen our organisation's strategic direction.

During the Reporting Period, we expanded our training programmes to place a greater emphasis on sustainability. As a result, we successfully delivered sustainability-related training to our employees, covering environmental topics such as air pollution, climate change, renewable energy, biodiversity conservation, and waste management; social topics including diversity, equity, inclusion, occupational health and safety, and sustainable procurement; and governance topics such as business ethics and corporate social responsibility. The Group's Learning & Development department ensures these sessions align with our sustainability goals as we strive to foster a culture of sustainability across the organisation.

As part of our commitment to continuous learning and professional growth, we have organised several competitions designed to assess and showcase the skills and expertise of our employees. These competitions provide a valuable platform for employees to demonstrate their proficiency in specific areas and their ability to operate various equipment effectively.

The achievements of competition winners were recognised by senior management, underscoring their dedication and talent in their respective fields. By celebrating their accomplishments, we aim to inspire and motivate all employees to strive for excellence and continuously enhance their skills and knowledge.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Employee Upskilling Trainings

In addition to employee-focused training, our senior management, including executive directors, participate in interactive training courses, technology forums, and strategy exploration workshops. These initiatives enable leaders to share experiences, engage in cross-functional discussions, and explore emerging industry trends, fostering a culture of collaboration and innovation.

This Year, we have continued to comply with provision C.1 of the Corporate Governance Code and rule 3.29 of the Listing Rules, ensuring that our directors and the company secretary receive appropriate professional development and training opportunities. Through these efforts, we remain committed to upholding the highest standards of corporate governance while equipping our leadership team with the insights and expertise needed for long-term success.

## Talent Attraction and Retention

Within the Group, we also prioritise attracting and retaining talented individuals by creating a work environment that upholds values such as fair play, respect, and integrity. To recognise and reward our employees' contributions, we offer competitive compensation packages, job promotions and rewards based on their merits and performance within the Group. To foster a sense of belonging and align employee interests with the Group's success, we provide outstanding employees at managerial levels or above with share options, allowing them the opportunity to obtain an equity interest in the Company. We believe this motivates employees and thus brings higher quality of work and performance.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At the Group level, we encourage our employees to maintain a healthy work-life balance and actively participate in community services. This includes engaging in various sports and cultural events, volunteering for community services, and supporting charitable organisations. The Group also organises various events such as celebrations for festivals such as Dragon-Boat, Lantern Festival, and Mid-Autumn, fostering team support and building trust. These celebrations serve as opportunities to bring our employees together, fostering a sense of unity and team support. Through these events, we aim to build trust and strengthen relationships among our employees, creating a positive and inclusive work environment.



Team-building Activities in Celebration of Lantern Festival, 2025

To further enhance our talent attraction efforts, we have taken proactive steps to engage and develop our interns. We have implemented a series of knowledge-sharing sessions and team-building activities specifically designed for our interns throughout various production lines including packaging, injection, and assembly lines. The knowledge-sharing sessions serve as valuable learning opportunities, where interns have the chance to expand their knowledge and skills in specific areas relevant to their roles. These sessions may include presentations, workshops, or guest speaker events, allowing interns to gain insights from experienced professionals within the organisation. In addition to the knowledge-sharing sessions, we also organise team-building activities for our interns. These activities aim to foster a sense of collaboration among the interns, enabling them to build strong relationships and work effectively as a team. Such activities may involve problem-solving exercises, group projects, or team outings, all aimed at promoting teamwork and a positive working environment. By providing these knowledge-sharing sessions and team-building activities, we not only invest in the development of our interns but also create an attractive and enriching experience for talented individuals who are considering joining our organisation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Interns Training Session, 2025



Knowledge-sharing Sessions 2025



Team-building Activities, 2025

## Diversity and Inclusion

The Board is committed to being an employer of choice by offering competitive remuneration packages, continuous training opportunities, and meaningful rewards. Our goal is to foster a diverse and inclusive working where employees feel valued and empowered. To achieve this, we have implemented various initiatives focused promoting on diversity, inclusion, and employee engagement.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Currently, the overall gender diversity within the Group stands at 35% female and 65% male. To address the gender gap issue, we have been working on both Board level and staff level. At the Board level, we have appointed female executive directors to the Board. Currently, the Board consists of 2 female directors out of 6 directors.

At staff level among our regular employees, we are making deliberate efforts to build a more inclusive working environment as the metal and plastic mould and component manufacturing industry continues to face structural barriers in terms of equal gender representation. Nevertheless, we have implemented highly automated stamping machinery, robotic arms, and remote-controlled laser welding workstations that create a less physically demanding work environment. Our goal is to have such technological advancements create a less physically demanding work environment, opening up opportunities for a more diverse workforce with a higher female ration, disabled workers, and a wider range of age groups.

The Group values diversity in terms of gender, age, ethnicity, and nationality. The Company hires both locally and internationally in China and promotes a better cultural exchange through high localisation in its overseas industrial parks in Vietnam and Mexico. We also place a strong emphasis on maintaining a balanced workforce that includes employees with disabilities. Efforts are made to support occupational health and safety for workers with special needs. During the Reporting Period, the Group's Suzhou industrial park organised disability training workshop, with an aim to promote occupational health and safety amongst workers with disabilities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Labour Standards

We are committed to upholding ethical labour practices and ensuring that our operations are free from any form of child or forced labour. We strictly adhere to all applicable laws and regulations pertaining to child or forced labour, and we have implemented robust internal policies to prevent the hiring of underaged or coerced workers. If any instances of such labour practices are discovered during our recruitment process, we promptly report them to the relevant authorities.

In line with our commitment to equality and non-discrimination, we provide a work environment that fosters diversity and inclusivity. We have established internal labour regulations that cover various aspects including paid annual leave, working hours, labour protection for female employees, and work injury insurance. Our Human Resources department adheres to internal guidelines on labour standards and hiring practices, ensuring fair working hours, performance incentives, and employee compensation and benefits. We conduct seminars and visits to help new employees understand our corporate culture and dynamics, ensuring equal opportunities for all personnel in terms of hiring, pay rates, training and development, promotion, and other employment conditions. Our dedication and efforts in this regard have been widely acknowledged by society.

At the Board level, we recognise the importance of diversity in achieving our strategic objectives and sustainable development. We have implemented a board diversity policy that aims to achieve a balanced representation of skills, experience, and diverse perspectives that align with the requirements of our business. The board diversity policy can be found on our company websites at [www.eva-group.com](http://www.eva-group.com) or [www.irasia.com/listco/hk/evaholdings](http://www.irasia.com/listco/hk/evaholdings). We believe that embracing diversity at the highest level of governance contributes to our overall success and resilience as a company.

## Community Engagement

The Group places great importance on our core values of responsibility, creativity, and integrity. For many years, we have actively embraced corporate social responsibility and have been actively involved in various charitable activities. Our public engagement and donation policy reflect our commitment to serving the community through both financial contributions and staff participation.

One of our key focus areas in community initiatives is addressing issues of inequality, particularly in access to education for vulnerable groups. It is our commitment to support community programs that address the urgent needs of these vulnerable groups. We firmly believe that access to education is a fundamental human right, and we are continuously innovating to provide underprivileged and under-resourced children with access to knowledge and skills. Our support includes providing educational resources and monetary sponsorship.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2025, the Group has made charitable contributions to schools in Bao'an District, Shenzhen Machinery Association, and the Red Cross Society of Zhongshan, China. As the executive president of Shenzhen Machinery Association which is a 5A social organisation accredited by the Ministry of Civil Affairs of China, the Group initiated the "1 to 1" educational sponsorship platform. This platform is a collaborative charity project within the industry, dedicated to providing support to underrepresented students in China. During the Reporting Period, a total of 57 enterprises, including our Group, actively participated in this platform, resulting in a cumulative donation amounting to RMB674,000.



Blood Donation in 2025



Certificate of Appreciation of Shenzhen Voluntary Blood Donation Charity Unit by Shenzhen Bao'an District Central Blood Station



2024 Outstanding Collective for Voluntary Blood Donation Contribution by Shenzhen Bao'an District Central Blood Station

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition to our focus on education, we are also committed to expanding our engagement with underserved communities to address issues related to poverty and health. During the Reporting Period, we contributed a total of HKD 88,000 in donations to support the victims of the Tai Po fire accident.

## ENVIRONMENTAL MANAGEMENT

The Group is committed to reducing our environmental footprint and minimising the negative impact of our business activities. During the Reporting Period, we have implemented various initiatives to optimise material usage, reduce emissions, and conserve resources through efficient waste management practices.

We recognise the importance of integrating sustainable practices and pursuing environmentally friendly production lines. To achieve this, we actively engage with our stakeholders, including suppliers and customers, to foster a shared commitment to sustainability. We have implemented stringent controls across all manufacturing procedures, covering product design, raw material sourcing, production, and delivery. Our manufacturing processes comply with international standards on environmental management, including the Restriction of Hazardous Substances Directive (RoHS) and the Waste Electrical and Electronic Equipment Directive (WEEE), ensuring compliance throughout our operations.

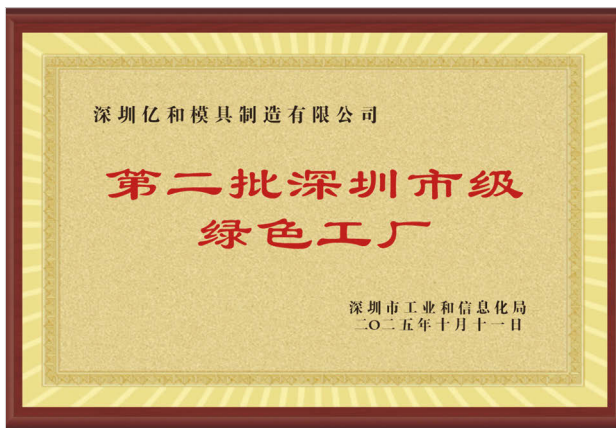
In response to climate change, we are continuously innovating to enhance our climate resilience. We will continue to implement climate-resilient design and development plans to mitigate potential adverse impacts from extreme weather conditions. To manage climate risks resulting from extreme weather conditions and protect the Group against possible financial losses, we have established business continuity plans to minimise disruptions and losses during the suspension of operations. The Group regularly assesses the impact of climate change on its operations and formulates measures to address the physical risks and transition risks and achieve sustainable development.

The Board remains committed to monitoring all relevant climate risks and opportunities and updating its strategy accordingly. We understand the importance of staying proactive in addressing the emerging climate-related challenges and will continue to prioritise sustainability in our business practices. By doing so, we aim to contribute to a more sustainable future while ensuring the long-term success and resilience of our Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Spotlight: Green Transformation Success – Shenzhen’s First and Second Batch of Green Factories

Our Shenzhen operation was honoured by the Industry and Information Technology Bureau of Shenzhen Municipality as one of the first batch of green factories in 2024, and was again recognised in 2025 as part of the second batch, with each certification valid for three years. This achievement represents a significant milestone in the expansion the Group’s provincial-level green factory network and highlights the Group’s unwavering commitment to sustainable development. It also reflects our dedication to fostering innovative, high-quality production through green growth initiatives.



Shenzhen’s first batch and second batch of green factories

The recognition is awarded to enterprises that excel in energy conservation, emission reduction, and environmentally friendly process innovation. This accolade marks an important step in our ongoing journey towards green industrial transformation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Spotlight: Suzhou Honoured with “Energy Star” Award Supporting Dual Carbon Goals

In December 2025, amid the national drive for the “dual carbon” strategy and efforts to advance green manufacturing and energy efficiency, our industrial park in Suzhou was awarded the “Energy Star” Award by the Suzhou New District (Huqiu District) Green and Low-Carbon Industry Association. This honour recognises outstanding achievements in energy conservation, emission reduction, and green development, aiming to set industry benchmarks and promote regional green transformation.



 The Energy Star Award

## Material Use and Energy Management

During the Reporting Period, the Group has a total procurement of more than 9.6 million kWh of solar energy from renewable energy providers in Chongqing, Suzhou, Weihai, Wuhan and Zhongshan. It demonstrates our commitment to supporting renewable energy generation and development in China. By proactively sourcing clean and green energy, we align with the global efforts to mitigate the effects of climate change and fosters a more sustainable energy future.

We fully recognise the importance of water conservation and its relevance in the context of climate change. Our goal is to enhance our water consumption efficiency and contribute to the sustainable management of this vital natural resource. We have taken appropriate steps to reduce water consumption by implementing various water-saving measures and promoting awareness campaigns among our employees. As part of our commitment to responsible water management, we solely rely on water supplied from municipal sources and do not use on-site wells or boreholes. This ensures that our water usage is in line with regulations and helps minimise the risk of depleting local water resources.

To minimise water pollution, we continuously improve our wastewater treatment processes in accordance with ISO 14001:2015 Environmental Management Systems standard, an internationally recognised standard for organisations to improve their environmental performance. This practice demonstrates our commitment to conducting appropriate measurements to ensure compliance. Furthermore, we actively engage our employees through campaigns at dormitories and manufacturing areas to increase awareness and promote water conservation.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition to water conservation, we have set clear expectations for reducing the use of packaging materials. To achieve this, we have eliminated the use of disposable cardboard boxes and dividers, replacing them with durable plastic alternatives. We also encourage employees to reuse plastic bags and cardboard dividers collected at our recycling centres as internal packaging materials. Moreover, we have implemented improvements in our packaging solutions for semi-finished and finished products, resulting in reduced purchases and usage of packaging materials. These initiatives have not only contributed to our environmental goals but have also helped reduce costs.

Since 2003, our operations have adhered to the ISO14001 Environmental Management System certification issued by the BSI Group. The ISO14001 standards are kept abreast of the growing trends and stakeholders' expectations and thus require participating companies to continuously improve their environmental performance. By consistently meeting high level environmental standards, we reaffirm our dedication to sustainable development and environmental responsibility.

As a result of our environment management initiatives, we have achieved 13.11% decrease in diesel consumption this year. Also, we have expanded our renewable energy consumption with 17.2% increase from 2024. This exemplifies our efforts in conserving the environment and developing our business in a sustainable manner. Moving forward, we will continue to monitor and strive to achieve higher rates of energy efficiency and resource conservation.

## Waste Management

The Group recognises that waste serves as an indicator of both inefficiency and environmental degradation. To address this, we prioritise waste reduction and have implemented effective strategies to minimise waste generation across our operations. We continuously explore ways to enhance efficiency, reduce waste and contribute to a cleaner and more sustainable environment. In line with our focus on optimal resources efficiency, we strive to minimise the materials used in our manufacturing processes while simultaneously increasing our recycling rate and utilisation of reusable materials. We maintain meticulous records of the materials we use, with the overarching goal of reducing waste production.

During the Reporting Period, the Group generated various types of non-hazardous wastes including metals, degradable plastics, paper pallets, wooden boxes, pallets, and other non-chemical wastes. To reduce material wastage during the component production process, our production team carefully designs models tailored for mass production purposes. Additionally, we have developed and implemented devices that effectively reduce the consumption of excessive parts and materials.

To achieve our resource efficiency targets, we have established recycling centres at our industrial facilities. These centres serve as collection points for recyclable materials, including cardboard and metals, which are then reused within our operations. We also foster close collaborations with our suppliers, aligning ourselves with a closed-loop, or circular, business interaction model. As part of this model, recyclable materials are returned to our suppliers for the purpose of reuse, further promoting sustainability throughout our supply chain.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Apart from non-hazardous wastes, some notable hazardous wastes generated include electrical and electronic items, waste chemicals, waste oils, and cutting fluids. We employ a variety of methods to handle and manage hazardous wastes, keeping abreast of our corporate values in prioritising occupational health and safety. It is critical to ensure that our practices are met with stakeholders' expectations, environmental targets, and safety regulations. We strive to achieve our goals by employing best practices, which include:

- Providing clear work instructions and protection gear for employees at all times;
- Ensuring employees have completed the hazardous waste and chemical management trainings before getting on board;
- Storing hazardous wastes in special containers that are acid resistant and solvent resistant;
- Delivering hazardous wastes in separate vehicles;
- Storing hazardous wastes in storage units that are specially constructed to prevent exposure, spillage, fire and explosion at isolated areas within the site;
- Categorising and storing hazardous wastes in corresponding sections within the storage units; and
- Ensuring that hazardous wastes are disposed of and handled by government-authorised hazardous waste disposal companies.

Through these comprehensive efforts, we demonstrate our unwavering dedication to resource efficiency, waste reduction, and the promotion of recycling. By recognising waste as an indicator and taking proactive measures to address it, we strive to minimise our environmental impact and contribute to a more sustainable future.

## Emission Reduction

During the Year, the Group emitted a total of 70,496 tonnes of GHG emissions (Scope 1 and 2). The emissions originated from various sources including direct energy consumption from fossil fuels and the indirect energy consumption from purchased electricity, following the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). We are committed to adopting clean energy from the early production stages and target to reduce our GHG emission intensity in the coming years.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group maintained its commitment to enhancing its ESG performance and acting towards the KPIs set under sustainability-related loans. The KPIs for evaluating our sustainability performance included electricity intensity reduction, GHG intensity reduction and sustainability-related training hours increment. The Group has been making continuous efforts to achieve our sustainability objectives and targets. In line with our commitment to reducing emissions, particularly those originating from transportation activities, we have taken proactive measures such as replacing fuel-powered forklifts with electric vehicles, which has significantly reduced diesel consumption. Furthermore, we are actively working to enhance the consumption of green energy from sustainable sources. One of our emission reduction initiatives involves establishing policies to phase out and replace ancillary equipment with more environmentally friendly options.

To reduce emissions from transportation, we have implemented internal practices that involve renting warehouses near our customers when necessary. We have taken various energy-efficient measures at our production sites and offices to reduce electricity consumption. These measures include optimising the production process by replacing conventional equipment with high-efficiency equipments. We have also created environmentally friendly working spaces by utilising LED lighting and maintaining air conditioner temperatures at or above 26 degrees Celsius. To raise employee awareness, we conduct campaigns in our office settings to promote electricity conservation. Energy-saving in our production sites and offices is a key topic discussed in our senior management meetings.

We are responsible for the maintenance and renovation of all recently acquired production-related machinery, equipment, and measuring instruments. Regular maintenance and optimisation ensure efficient operations, minimising energy waste and emissions. Our infrastructure improvement efforts include providing design, cost estimation, exploration, and supervision services for both new and existing facilities. Sustainability is embedded in our planning and execution processes, with a focus on incorporating environmentally friendly designs and innovative technologies to enhance energy efficiency, reduce emissions, and improve overall environmental performance.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our facilities are supported by a dedicated resource conservation team comprising experts in interior equipment architecture and design for the purpose of enhancing our energy efficiency. This team conducts regular patrols across manufacturing and dormitory areas to identify instances of energy waste. Any inefficiencies are documented and reported to the relevant management levels, with demerit points being factored into the monthly performance appraisals of responsible employees. These employees are also required to develop and implement corrective action plans to address identified issues.

All of our workspaces operate with smart facilities, such as zoned lighting and time sensors, to reduce electricity consumption. We carefully plan and regularly review the production floor layouts to optimise air circulation. When appropriate, we install thermal insulation on production equipment to contain the heat generated by the machinery, thereby maintaining a comfortable temperature on the production floors. These efforts collectively contribute to energy conservation and emission reduction within our operations.

Recognising that a significant portion of the environmental impact lies within our value chain, the group has initiated the process of defining its Scope 3 emissions. Our efforts focused on identifying carbon-intensive categories relevant to our operations. We are currently establishing robust data collection protocols and have begun engaging with key raw material suppliers to enhance the accuracy and completeness of our Scope 3 inventory. We plan to expand our coverage of additional categories over the reporting periods.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Scope 3 Emissions

During the Reporting Period, the Group disclosed its Scope 3 inventory across 5 material categories, following the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify applicable Scope 3 emissions categories. These categories were significantly relevant to the Group's operations.

The categories are as follows:

| Categories                                      | Description                                                                                                      | Methodology and assumption                                                                                                                                                         | 2025 (tCO2e) |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Cat 1: Purchased Goods and Services             | Emissions associated with the sourcing, manufacturing, and delivery of goods and services procured by the Group. | Emissions resulting from procurement activities such as equipment refurbishment and replacement are calculated using a spend-based method combined with external emission factors. | 124,775      |
| Cat 2: Capital Goods                            | Emissions linked to the extraction, manufacture, and transport of capital goods.                                 |                                                                                                                                                                                    | 14,204       |
| Cat 4: Upstream Transportation and Distribution | Emissions generated from contracted transportation and distribution services.                                    | Emissions linked to the Group's expenditures on transportation and distribution services are calculated using a spend-based method utilising third-party emission factors.         | 3,832        |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Categories                                     | Description                                                                                        | Methodology and assumption                                                                                                                                                                                                                                              | 2025 (tCO2e) |
|------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Cat 5: Waste Generated in Operations           | Emissions arising from the treatment and disposal of waste produced during operational activities. | Emissions are assessed by applying emission factors to the volume of waste produced, using data gathered from operational records. This calculation assumes specific waste treatment processes and relies on average emission factors from recognised industry sources. | 264          |
| Cat 12: End-of-life Treatment of Sold Products | Emissions caused by the disposal and treatment of products after they have been sold.              | Emissions associated with sold products are estimated by analysing the waste type and treatment methods, applying emission factors provided by third-party sources.                                                                                                     | 855          |

## CLIMATE RESILIENCE

### Governance and Strategy

To better tackle the challenges of climate change and improve the transparency of our impact reporting, the Group plans to enhance its climate change management capabilities. In 2025, we conducted a climate scenario analysis in accordance with the HKEX ESG Code Part D requirements, which are largely aligned with the IFRS S2 Climate-related Disclosure standards, to assess the resilience of our business. In alignment with the HKSAR government's Climate Action Plan 2050, which aims for carbon neutrality by 2050, and China's goal of achieving carbon neutrality by 2060, the Board remains actively engaged in identifying and addressing climate-related risks and opportunities. Based on the climate scenario analysis presented below, current evaluations suggest that climate-related risks currently have a limited impact on the company. To retain proficiency in managing strategies for climate-related risks and opportunities, the Board participates in annual training on ESG and the latest developments in climate-related disclosure requirements.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For details of the climate risk governance structure, please refer to “The Board Statement” and “Board Oversight” sections.

The Group is developing environmental targets but has yet to finalise a detailed transition plan that specifies the steps and resources required to meet these goals. This plan will emphasise the adoption of advanced technologies, the integration of green energy solutions, and the adaptation of operational practices, all aimed at fostering a sustainable and resilient future.

As part of our risk management process, we will identify the main physical and transition risks that could affect our business and supply chain. In the coming reporting period, the Group plans to carry out climate scenario analysis and risk mapping activities to forecast possible climate-related outcomes. These efforts will help us create practical strategies to manage risks and protect our business from potential negative effects.

## Risk Management

Considering the nature of our business and its geographical locations, we have identified climate-related risks and opportunities throughout our operations and supply chain. This detailed identification process provides the Group with a clearer and more comprehensive understanding to effectively manage these specific climate challenges and opportunities.

Recognising the progressive developments of climate-related risks, the Group considers robust mitigation strategies essential to safeguarding operational stability. To address the growing challenges of global climate change, we are committed to ongoing innovation that reinforces climate adaptability across all our manufacturing sites. Our assessment of climate-related risks evaluates multiple dimensions and is structured to deliver a thorough analysis of how such risks may affect our business operations.

During the Reporting Period, the Group conducted a qualitative scenario analysis to assess vulnerability to climate-related risks and opportunities. Summary including the main assumptions, scope, timeline, and selected scenario are outlined in the table below. We relied on recognised frameworks from the Intergovernmental Panel on Climate Change (IPCC)<sup>1</sup> and the Network for Greening the Financial System (NGFS)<sup>2</sup> to evaluate both physical and transitional risks.

- 
- 1 The IPCC is the worldwide institution assigned to evaluate the scientific research on climate change. It presents five SSP-RCP (‘SSPX-Y’) scenarios, each characterised by its unique narrative and emission pathways.
  - 2 NGFS funded in 2017 by eight central banks and has developed seven scenarios designed to tackle physical and transitional risks. These scenarios are widely adopted by central banks and financial regulators.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

|                         | High emission/Business-as-usual scenario                                                                                                                                                                                                                                                                                   | Low emission/Net zero scenario                                                                                                                                                                                                                                                                                                                               |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General assumption      | <ul style="list-style-type: none"> <li>• This scenario assumes emissions will continue to grow until 2080, leading to 3°C or more of warming by 2100</li> <li>• Assume that only currently implemented policies are retained</li> <li>• Assume new technology development continues at the current pace</li> </ul>         | <ul style="list-style-type: none"> <li>• This scenario assumes strong climate policies and innovation to limit global warming to below 1.5°C by 2100</li> <li>• Assume ambitious climate policies are introduced immediately</li> <li>• Emphasis on decarbonising electricity supply, improving energy efficiency and developing new technologies</li> </ul> |
| Scenario references     | <ul style="list-style-type: none"> <li>• IPCC SSP5-8.5</li> <li>• NGFS Current Policies</li> </ul>                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>• IPCC SSP1-2.6</li> <li>• NGFS Net Zero 2050</li> </ul>                                                                                                                                                                                                                                                              |
| Time horizons           | Baseline year: 2025<br>Short-term: 1-5 years (2026)<br>Medium-term: 5-10 years (2030)<br>Long-term: 10+ years (2050)                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                              |
| In-scope assets         | <ul style="list-style-type: none"> <li>• The Group's Hong Kong offices, warehouses and the 12 major industrial plants</li> </ul>                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                              |
| Caveats and limitations | <ul style="list-style-type: none"> <li>• Scenario analysis is conducted based on the use of publicly available source</li> <li>• Climate hazard level does not consider any additional asset-level mitigation measures</li> <li>• The number of assets wholly owned by the Group is assumed to remain unchanged</li> </ul> |                                                                                                                                                                                                                                                                                                                                                              |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Physical Risks                                           | Timeframe:<br>Short, medium<br>to long-term | Potential Impacts                                                                                                                                                                                                                                                                                                                                                                                                           | Mitigation Measures by<br>the Group                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acute risk</b><br>– Tropical Cyclones                 | Medium-term to long-term                    | <b>Financial</b> <ul style="list-style-type: none"> <li>Increased operational expenses for repairing damaged assets, sourcing alternative suppliers and paying higher insurance premiums</li> </ul> <b>Non-financial</b> <ul style="list-style-type: none"> <li>Business disruption on supply chain. Roads, ports, and communication infrastructure may become inoperable, complicating logistics and transport.</li> </ul> | <ul style="list-style-type: none"> <li>Enhance climate resilience of properties such as enhancing existing building designs through retrofitting.</li> <li>Develop an appropriate crisis management plan for our operations in response to more severe impact brought by extreme weather events.</li> </ul>                                                                           |
| <b>Chronic risk</b><br>– Increase in Average Temperature | Medium-term to long-term                    | <b>Financial</b> <ul style="list-style-type: none"> <li>Increased production costs, due to higher energy consumption for cooling systems in manufacturing facilities and warehouses.</li> </ul> <b>Non-financial</b> <ul style="list-style-type: none"> <li>Impact the working conditions of employees, affecting productivity levels and increasing health and safety risks.</li> </ul>                                    | <ul style="list-style-type: none"> <li>Improve working conditions by introducing temperature-regulating technologies and flexible work schedules, ensuring employee health and morale are not compromised by heat stress.</li> <li>Equip back-up power generator to cover short outage due to heatwave to prevent unplanned stops and protect ongoing precision processes.</li> </ul> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Physical Risks                                                      | Timeframe:<br>Short, medium<br>to long-term | Potential Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Mitigation Measures by<br>the Group                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Transition to<br/>low – Carbon<br/>Emission<br/>Technologies</b> | Medium-term to<br>long-term                 | <p><b>Financial</b></p> <ul style="list-style-type: none"> <li>Escalating operational costs resulting from the need to retire and replace high energy-consuming equipment, including expenses for new machinery, installation, and downtime during changeover.</li> </ul> <p><b>Non-financial</b></p> <ul style="list-style-type: none"> <li>Industries may experience shifts in competitive landscapes, favoring early adopters of low-carbon technologies.</li> </ul> | <ul style="list-style-type: none"> <li>Conduct detailed lifecycle assessments to optimise equipment retirement schedules and reduce unexpected replacements, minimising disruptions and costs.</li> <li>Conduct regular market research to stay informed about industry shifts and consumer preferences, enabling timely adaptation to market dynamics.</li> <li>Invest in workforce training and development to build skills related to low-carbon technologies and innovation, ensuring operational efficiency and adaptability.</li> </ul> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Physical Risks                                       | Timeframe:<br>Short, medium<br>to long-term | Potential Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Mitigation Measures by<br>the Group                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Enhanced and emerging regulatory requirements</b> | Short-term to medium-term                   | <p><b>Financial</b></p> <ul style="list-style-type: none"> <li>Companies face increased expenses related to compliance with new regulations. This includes costs for audits, certifications, and adjustments to operations to meet regulatory standards.</li> <li>Non-compliance with regulatory requirements can lead to fines, penalties, or legal actions, causing unexpected financial strain.</li> </ul> <p><b>Non-financial</b></p> <ul style="list-style-type: none"> <li>Elevated risk of non-compliance with evolving regulatory standards.</li> </ul> | <ul style="list-style-type: none"> <li>Conduct comprehensive risk assessments to identify potential impacts of regulatory changes. Implement a risk management framework to proactively address these challenges.</li> <li>Establish a dedicated team to continually monitor the changes in regulations to ensure compliance.</li> <li>Allocate financial resources towards sustainability initiatives and clean energy projects that align with regulatory requirements, while ensuring profitability.</li> </ul> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Physical Risks                                                                          | Timeframe:<br>Short, medium<br>to long-term | Potential Impacts                                                                                                                                    | Mitigation Measures by<br>the Group                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shifting consumer preference and demand due to increased environmental awareness</b> | Short term, medium-term to long-term        | <ul style="list-style-type: none"> <li>Consumers increasingly prioritise eco-friendly products, driving demand for sustainable practices.</li> </ul> | <ul style="list-style-type: none"> <li>Gather data on consumer preferences and industry trends regarding environmentally friendly electronics, such as demand for energy-efficient components, recyclable materials, reduced-carbon manufacturing and eco-design features.</li> <li>Collaborate with customers, industry associations or environmental organisation on sustainability initiatives, such as green manufacturing programs, to reinforce the company's commitment to responsible production and create added value for clients.</li> </ul> |

We have assessed our preparedness for climate-related events by reflecting on past experiences and the measures we have already implemented or plan to adopt. We believe we are well-equipped to manage future climate challenges and do not anticipate that current or foreseeable climate risks and opportunities will significantly affect our operations, supply chain, financial condition, cash flow, or overall performance. Only a small portion of our assets and activities are exposed to physical and transition risks, so the likelihood of major impacts on the Group from climate-related risks is low.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Although past tropical cyclones and extreme heat events have not resulted in significant losses, the potential increase in their frequency and severity highlights the need for proactive action beyond our historical experience. While climate change is not expected to directly or substantially impact our business as an investment holding company, we remain aware of its possible effects. This understanding influences our strategy and business approach, leading us to integrate climate mitigation and adaptation efforts into our daily operations and maintenance.

In pursuit of sustainability, the Group actively supports and invests in technologies that provide sustainable alternatives for our goods and services. These costs are incorporated into our operating and capital budgets. Though we have yet to determine a specific capital expenditure amount, we will continue to evaluate the financial requirements related to climate risks and commit to providing adequate funding as needed. Additionally, we consistently monitor the progress of our initiatives addressing climate risks and opportunities to ensure they remain aligned with our ESG objectives.

## Metrics and Targets

The Group plans to consider setting climate-related targets in the future. For detailed information on our climate-related performance, including Scope 1, Scope 2, and Scope 3 emissions, please refer to the “Performance Data Summary.”

## OPERATIONAL PRACTICES

As a socially and environmentally responsible business, the Group places great importance on regulatory compliance. To ensure compliance with relevant laws and regulations, the Group has implemented preventive and monitoring measures. These measures are designed to keep the Group informed about the latest regulatory developments, and relevant personnel will receive appropriate training to stay up to date.

During the Reporting Period, the Group did not observe any instances of non-compliance with laws and regulations that could have had a potential impact on the Group’s operating areas. This includes areas such as environmental protection and conservation, employment, labour practices, as well as operational and organisational activities. The Group’s commitment to compliance demonstrates its dedication to responsible business practices and upholding legal requirements. This commitment helps to safeguard the environment, protect employee rights, and maintain the Group’s reputation as a socially and environmentally conscious organisation.

## Supply Chain Management

The Group places the utmost importance on adhering to laws and regulations and follows international best practices in conducting its business. Transparency, fairness, and integrity are guiding principles in our supply chain management, particularly when engaging with suppliers. The Group ensures that tender processes are conducted fairly and without bias, fostering trust and accountability throughout the supply chain.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In selecting suppliers, the Group considers various factors beyond the quality of services and products. Factors taken account include supplier integrity, social responsibility, and environmental performance, such as emissions and pollution levels. The Group expects all suppliers to uphold the same environmental, social, health and safety, and governance policies as those adopted by the Group. To ensure alignment with these principles, our procurement teams are trained to consider all aspects of supplier selection policies when assessing suppliers. Additionally, the tendering procedures are communicated thoroughly to vendors to ensure clarity and understanding.

To maintain transparency, the Group utilises an online channel known as “EVA Procurement System” during tendering procedures. Suppliers are required to submit their tenders with details that are accessible to the entire procurement team. Starting from 2020 the Group has introduced new considerations in the supplier selection and retention process. These considerations are used to evaluate and rank suppliers based on benchmarks. As part of our due diligence, we conduct annual background checks to identify potential risks associated with suppliers. This includes reviewing any history of significant pollution, improper handling of hazardous waste, disputes with stakeholders, or a risk of corruption. Suppliers with such issues may receive a lower ranking during the review process.

By implementing these robust measures, the Group ensures transparency, integrity, and fairness in its supply chain management. It actively evaluates and addresses environmental and social risks along the supply chain, promoting responsible business practices and sustainability throughout its operations.

## Product Responsibility

The Group is dedicated to delivering best practices and achieving high levels of customer satisfaction levels. To ensure the quality, reliability, and safety of our products, the Group has implemented the Inspection and Testing Control Protocol. During the Reporting Period, we have received a total of 360 complaints regarding our products and services subject to recalls for safety reasons. Each complaint was handled promptly and appropriately, with the necessary inspections and repairs carried out to ensure the safety and functionality of the products. Compliance with relevant laws and regulations related to product safety, advertising, labelling, and privacy is a priority for the Group. Employees are required to adhere to applicable governmental and regulatory laws, rules, codes, and regulations to maintain compliance.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We adopt international best practices in product quality management and has been accredited with ISO9001 certification of Quality Management Systems by the BSI Group since 2000. We remain aligned with the latest version of the ISO9001 standards (i.e. the 2015 version) and demonstrate our compliance with globally-recognised and continuously improving standards. For example, we have the “Inspection and Testing Control System” (檢驗和試驗控制程序) in place as a means to govern the quality, reliability and safety of our products. During the Year, the Group continued to implement Quality Control Circles (“QCC”) activities which require the participation of employees at all levels from front line staff to senior management to identify and address areas for improvements in the production processes. Through a range of initiatives, the Group strives for continuous improvement in product quality, reliability, and safety. The Group has received recognition for the quality and reliability of its products and services from reputable customers and government entities, including Fujifilm and MiTAC. In 2025, the Group is honoured to be awarded the “Premiere Partner” for the 16th times by Fujifilm. For more awards and honors, please refer to the section headed “Major Awards and Honour” of the annual report on page 6 to page 7.

To ensure high product quality and safety, the Group engages with internal committees comprising representatives from various business units and customers. Customer Complaint Processing System (客戶投訴處理程序) and Customer Satisfaction Management System (客戶滿意度管理程序) are in place to measure customer satisfaction and effectively respond to feedback through issuing the Eight Disciplines (“8Ds”) Report. Policies related to product quality, safety, and compliance are transparently communicated to employees through the internet. Training sessions are conducted for employees, suppliers, and business partners to reinforce product responsibility. New employees receive orientation training, and regular training is provided to all employees.

The Group understands the significance of safeguarding and upholding intellectual property rights and strictly complies with relevant laws and regulations. Therefore, we have implemented measures to ensure compliance, such as requiring our suppliers to install authentic software applications and instructing our employees not to download unauthorised software to prevent any infringement of intellectual property rights.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with regulations concerning the provision and use of the Group’s products and services that would have had significant impact on the Group. This demonstrates the Group’s commitment to upholding legal and regulatory requirements and ensuring customer satisfaction.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Customer Privacy and Data Security

In response to the growing concern regarding customer privacy and data security with increasing digitalisation, the Group has taken proactive measures to establish comprehensive policies to ensure customer data protection and cybersecurity in compliance with local laws and legislation. Our commitment to data privacy is effectively communicated to all employees through multiple channels including the distribution of memos, conducting staff meetings, and organising training programmes. These initiatives aim to instil a high level of awareness and understanding among our workforce regarding data privacy and protection.

To effectively safeguard customer privacy and personal data, we have implemented policies focusing on IT information security, data control procedures, confidentiality obligations, prevention of leaks, and liability for breach of contract. Additionally, we have established strict compensation methods to address any potential breaches. These policies include the implementation of a Document and Information Control System, an IT Data Security Control System and a Classified Documents Control Policy. With these robust policies in place, we ensure that customer data is secure and handled with care and reinforcing customer trust.

## ETHICS MANAGEMENT

### Anti-Corruption

We are committed to upholding the highest standards of integrity and ethical conduct in all our operations. As part of our anti-corruption efforts, we strictly adhere to applicable laws and regulations, and we value integrity, proactivity, cooperation and creativity. We have implemented various systems and measures to detect and deter corruption, bribery, or any other fraudulent activities. We conduct regular internal audits of high-risk business units and management teams to assess the effectiveness of the internal control system. The internal audits help us identify any red flags and ensure compliance with ethical standards. In 2025, our internal audit department has found 5 cases of violations of the Group's rules and policies. From these cases, 4 employees were warned.

To ensure that all employees understand and adhere to our anti-corruption policy, the Group's legal department organises compulsory training sessions to employees at all levels. Employees in high-risk positions, such as procurement, sales, and finance, receive specialised training to enhance their understanding of national laws and group policies and practical ways to mitigate bribery and corruption risks. During 2025, all of our employees have received anti-corruption training.

Our internal audit department team handles suspected fraudulent activities independently. After an investigation has been completed, the employee found and proven to have committed serious fraud would be subject to immediate dismissal. Additionally, the relevant department, with support from the risk management and internal control department, take corrective actions to address any identified business risk or loophole. We also conduct semi-annual internal audits, rotating coverage among all the subsidiaries to ensure ongoing compliance.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To further strengthen anti-corruption practices, we have established Anti-fraud and Whistleblowing Policy (the “Whistleblowing Policy”). The Whistleblowing Policy outlines our commitment to zero tolerance for fraudulent activities and encourages employees, suppliers and business partners to report any concerns regarding existing or potentially fraudulent activities and non-compliance. The Whistleblowing Policy provides multiple channels for reporting, outlines how the Group will handle such concerns, and ensures whistleblower protection. We encourage individuals to come forward without fear of reprisal or retaliation.

Anti-corruption memo is published internally every year, particularly before the Chinese New Year, as means to remind staff members of the possible risks in receiving gifts from suppliers or business partners. Designated hotlines and emails are available on the Group’s website at [www.eva-group.com](http://www.eva-group.com), as well as posted in offices and plants in all industrial parks including those in China, Vietnam, and Mexico.

During the Year, there were no concluded legal cases regarding corruption brought against the Group or its employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PERFORMANCE DATA SUMMARY<sup>3</sup>

### Environmental Performance

| Indicators <sup>4</sup>                                            | Unit                                                  | 2025            | 2024   |
|--------------------------------------------------------------------|-------------------------------------------------------|-----------------|--------|
| <b>GHG emissions</b>                                               |                                                       |                 |        |
| Total Scope 1 + 2 emissions                                        | tonne CO <sub>2</sub> equivalent (tCO <sub>2</sub> e) | <b>70,496</b> ✓ | 69,336 |
| Total Scope 1 + 2 emissions intensity (per million HKD of revenue) | tCO <sub>2</sub> e/million HKD                        | <b>12</b>       | 11     |
| Scope 1 GHG emissions <sup>5</sup>                                 | tCO <sub>2</sub> e                                    | <b>1,278</b> ✓  | 426    |
| Scope 2 GHG emissions <sup>6</sup>                                 | tCO <sub>2</sub> e                                    | <b>69,218</b> ✓ | 68,910 |
| Total Scope 3 emissions                                            | tCO <sub>2</sub> e                                    | <b>143,930</b>  | –      |
| Scope 3 Category 1- Purchased Goods and Services                   | tCO <sub>2</sub> e                                    | <b>124,775</b>  | –      |
| Scope 3 Category 2- Capital Goods                                  | tCO <sub>2</sub> e                                    | <b>14,204</b>   | –      |
| Scope 3 Category 4- Upstream Transportation and Distribution       | tCO <sub>2</sub> e                                    | <b>3,832</b>    | –      |
| Scope 3 Category 5- Waste Generated in Operations                  | tCO <sub>2</sub> e                                    | <b>264</b>      | –      |
| Scope 3 Category 12- End-of-life Treatment of Sold Products        | tCO <sub>2</sub> e                                    | <b>855</b>      | –      |

3 The data with a tick mark has been independently verified by PricewaterhouseCoopers. The assurance statement is on page 100 to page 104 of this report.

4 The amount of air pollutant emissions on Sulphur Oxides ("SO<sub>x</sub>"), Nitrogen Oxides ("NO<sub>x</sub>") and Particulate Matter ("PM") is insignificant during the Reporting Period. The Group will consider disclosing relevant data in the future when the data is material.

5 The data of scope 1 direct GHG emissions includes Liquefied Petroleum Gas, Diesel and Natural Gas generated from the combustion of fuels in stationary combustion sources and mobile combustion and is calculated based on the emission factors in the "Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEx. The global warming potential is referred to in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change ("IPCC"). We have disclosed the Carbon Dioxides ("CO<sub>2</sub>") equivalent such as Nitrogen Dioxide ("N<sub>2</sub>O"), Methane ("CH<sub>4</sub>") and CO<sub>2</sub>.

6 Scope 2 indirect GHG emissions are calculated based on the emission factors stated in the "Notice on Guidance in 2024-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises" issued by the Ministry of Ecology and Environment ("MEE") of the People's Republic of China ("PRC") and the International Energy Agency ("IEA") for locations outside China.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Indicators                                                 | Unit                        | 2025                | 2024        |
|------------------------------------------------------------|-----------------------------|---------------------|-------------|
| <b>Energy consumption</b>                                  |                             |                     |             |
| <b>Total energy consumption</b>                            | kWh                         | <b>135,852,904/</b> | 132,920,554 |
| Energy consumption intensity (per million HKD of revenue)  | kWh/million HKD             | <b>22,514</b>       | 21,109      |
| <b>Total Indirect Energy Consumption</b>                   | kWh                         | <b>130,605,174</b>  | 131,232,798 |
| Indirect energy consumption                                |                             |                     |             |
| Purchased electricity                                      | kWh                         | <b>130,605,174/</b> | 131,232,798 |
| <b>Direct energy consumption<sup>7</sup></b>               | kWh                         | <b>5,247,730</b>    | 1,687,756   |
| Petrol                                                     | kWh                         | <b>861,543/</b>     | 703,008     |
| Diesel                                                     | kWh                         | <b>568,027/</b>     | 653,748     |
| Liquefied Petroleum Gas <sup>8</sup>                       | kWh                         | –                   | 331,000     |
| Natural Gas <sup>9</sup>                                   | kWh                         | <b>3,818,160/</b>   | –           |
| <b>Total renewable energy (Solar)</b>                      | kWh                         | <b>9,619,663/</b>   | 8,207,317   |
| <b>Water consumption</b>                                   |                             |                     |             |
| Total water consumption                                    | m <sup>3</sup>              | <b>856,709/</b>     | 914,702     |
| Water consumption intensity (per million HKD of revenue)   | m <sup>3</sup> /million HKD | <b>142</b>          | 145         |
| <b>Waste management and packaging materials</b>            |                             |                     |             |
| Total hazardous waste produced <sup>10</sup>               | tonne                       | <b>359</b>          | 676         |
| Hazardous waste intensity (per million HKD of revenue)     | tonne/million HKD           | <b>0.06</b>         | 0.11        |
| Total non-hazardous waste produced <sup>11</sup>           | tonne                       | <b>53,749</b>       | 48,833      |
| Non-hazardous waste intensity (per million HKD of revenue) | tonne/million HKD           | <b>8.91</b>         | 7.76        |
| Total packaging material <sup>12</sup>                     | tonne                       | <b>1,791</b>        | 1,215       |

7 Direct energy consumption from fossil fuels in the use of mobile combustion sources. Activity data are collected from the invoices issued by the fuel companies. It is calculated with reference to "Appendix 2: Reporting Guidance on Environmental KPIs" published by the HKEx. The significant decrease in diesel consumption is due to the replacement of fuel-powered forklifts with electric models.

8 Liquefied Petroleum Gas has no longer been used since 2025.

9 Natural gas has been newly adopted for the heating and compression process starting in 2025. Activity data are collected from the invoices issued by the gas companies.

10 Hazardous waste generated includes plastic waste, electronic waste and chemicals. Activity data are collected from third-party vendors' monthly statements and represent actual recorded activity.

11 Non-hazardous waste generated includes scrap metals and paper waste. Activity data are collected from third-party vendors' monthly statements and represent actual recorded activity.

12 Packaging materials mainly include plastic packaging bags, paper boxes, and cartons. Activity data are collected from third-party vendors' monthly statements and represent actual recorded activity.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Social Performance

| Indicators                                    | Unit          | 2025    | 2024   |
|-----------------------------------------------|---------------|---------|--------|
| Total workforce <sup>13</sup>                 | No. of people | 10,341√ | 10,087 |
| <b>Total workforce by employment type</b>     |               |         |        |
| Full-time                                     | No. of people | 10,341√ | 10,087 |
| Part-time                                     | No. of people | –√      | –      |
| <b>Total workforce by contract type</b>       |               |         |        |
| Regular <sup>14</sup>                         | No. of people | 7,999√  | 7,395  |
| Contractual                                   | No. of people | 111√    | 127    |
| Third-party                                   | No. of people | 2,231√  | 2,565  |
| <b>Total workforce by gender<sup>17</sup></b> |               |         |        |
| Male                                          | No. of people | 5,194√  | 4,865  |
| Female                                        | No. of people | 2,805√  | 2,530  |
| <b>Total workforce by employee category</b>   |               |         |        |
| General staff                                 | No. of people | 7,792√  | 7,222  |
| Middle management                             | No. of people | 167√    | 132    |
| Senior management                             | No. of people | 40√     | 41     |
| <b>Total workforce by age group</b>           |               |         |        |
| 30 or below                                   | No. of people | 2,392√  | 2,204  |
| 31-50                                         | No. of people | 5,176√  | 4,853  |
| Over 50                                       | No. of people | 431√    | 338    |
| <b>Total workforce by geographical region</b> |               |         |        |
| China and Hong Kong                           | No. of people | 5,735√  | 5,495  |
| Mexico                                        | No. of people | 587√    | 504    |
| Vietnam                                       | No. of people | 1,668√  | 1,386  |
| Others                                        | No. of people | 9√      | 10     |
| <b>Employee Turnover<sup>18</sup></b>         |               |         |        |
| Employee turnover rate                        | Percentage    | 5%√     | 4%     |
| <b>Employee turnover rate by gender</b>       |               |         |        |
| Male                                          | Percentage    | 5%√     | 4%     |
| Female                                        | Percentage    | 4%√     | 4%     |

<sup>13</sup> The ICT business expanded in 2025, thus an increase in the total workforce.

<sup>14</sup> Regular refers to the permanent employees.

<sup>15</sup> Contractual refers to the contract employees.

<sup>16</sup> Third-party refers to employees who are hired and dispatched through an external agency (勞務派遣).

<sup>17</sup> The total workforce by gender, employee category, age group and geographical region includes permanent employees only.

<sup>18</sup> Employee turnover rates are calculated by dividing the monthly average of turnovers for each corresponding category by the number of regular employees within that category as at the end of the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Indicators                                                      | Unit           | 2025  | 2024  |
|-----------------------------------------------------------------|----------------|-------|-------|
| <b>Employee turnover rate by age group</b>                      |                |       |       |
| 30 or below                                                     | Percentage     | 7%↓   | 7%    |
| 31-50                                                           | Percentage     | 4%↓   | 3%    |
| Over 50                                                         | Percentage     | 1%↓   | 1%    |
| <b>Employee turnover rate by geographical region</b>            |                |       |       |
| China and Hong Kong                                             | Percentage     | 4%↓   | 4%    |
| Mexico                                                          | Percentage     | 10%↓  | 6%    |
| Vietnam                                                         | Percentage     | 6%↓   | 5%    |
| <b>Development and Training<sup>19</sup></b>                    |                |       |       |
| Total workforce trained                                         | No. of people  | 5,425 | 3,606 |
|                                                                 | Percentage     | 68%   | 49%   |
| <b>Employees trained by employee category</b>                   |                |       |       |
| General staff                                                   | No. of people  | 5,384 | 3,579 |
|                                                                 | Percentage     | 69%   | 50%   |
| Middle management                                               | No. of people  | 39    | 24    |
|                                                                 | Percentage     | 23%   | 18%   |
| Senior management                                               | No. of people  | 2     | 3     |
|                                                                 | Percentage     | 4%    | 6%    |
| <b>Employees trained by gender</b>                              |                |       |       |
| Male                                                            | No. of people  | 3,653 | 2,416 |
|                                                                 | Percentage     | 70%   | 50%   |
| Female                                                          | No. of people  | 1,772 | 1,190 |
|                                                                 | Percentage     | 63%   | 47%   |
| <b>Average training hours<sup>20</sup></b>                      |                |       |       |
| Average training hours per employee                             | Hours/employee | 1.01↓ | 1.21  |
| <b>Average training hours per employee by employee category</b> |                |       |       |
| General staff                                                   | Hours/employee | 1.02↓ | 1.22  |
| Middle management                                               | Hours/employee | 0.52↓ | 0.54  |

19 The percentage of employees trained is calculated by dividing the monthly average of employees trained for each corresponding category by the number of regular employees within that category as at the end of the Reporting period.

20 The average training hours per employee are calculated by dividing the monthly average of training hours of employees for each corresponding category by the number of regular employees within that category as at the end of the Reporting period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Indicators                                                                      | Unit              | 2025    | 2024    |      |
|---------------------------------------------------------------------------------|-------------------|---------|---------|------|
| Senior management                                                               | Hours/employee    | 0.16√   | 0.18    |      |
| Average training hours per employee by gender                                   |                   |         |         |      |
| Male                                                                            | Hours/employee    | 1.03√   | 1.30    |      |
| Female                                                                          | Hours/employee    | 0.96√   | 1.03    |      |
| Supply Chain Management                                                         |                   |         |         |      |
| Total number of suppliers                                                       | No. of suppliers  | 2,865   | 2,717   |      |
| Number of suppliers by geographic location                                      |                   |         |         |      |
| Mainland China                                                                  | No. of suppliers  | 2,485   | 2,432   |      |
| Vietnam                                                                         | No. of suppliers  | 273     | 206     |      |
| Mexico                                                                          | No. of suppliers  | 72      | 53      |      |
| Other regions                                                                   | No. of suppliers  | 35      | 26      |      |
| Product Responsibility                                                          |                   |         |         |      |
| Total products sold or shipped subject to recalls for safety and health reasons | Percentage        | 0.011%  | 0.012%  |      |
| Number of products and service-related complaints received                      | No. of complaints | 360     | 138     |      |
| Community investment                                                            |                   |         |         |      |
| Amount of money donated                                                         |                   |         |         |      |
| Total contribution <sup>21</sup>                                                | RMB               | 155,800 | 153,000 |      |
|                                                                                 | HKD               | 88,000  | 114,500 |      |
| Occupational Health and Safety                                                  |                   |         |         |      |
| Paid leave days due to work injuries                                            | No. of days       | 590     | 1,109   |      |
|                                                                                 |                   |         |         |      |
| Indicators                                                                      | Unit              | 2025    | 2024    | 2023 |
| Work-related fatalities                                                         | No. of people     | 0       | 0       | 0    |

21 The Group's monetary contribution to the community focuses on education, public health and poverty alleviation. We allocate resources and financial support to these areas to make a positive impact and create lasting change in our community.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## HKEX ESG REPORTING CODE CONTENT INDEX

| <b>Mandatory Disclosure Requirements</b> | <b>Cross-reference in this Report/Comment</b>    |
|------------------------------------------|--------------------------------------------------|
| Governance Structure                     | ABOUT THIS REPORT – The Board Statement          |
| Reporting Principles                     | INTRODUCTION – Company Overview; Board Oversight |
| Reporting Boundary                       | ABOUT THIS REPORT<br>REPORTING BOUNDARY          |

### Part C: “Comply or explain” Provisions

| <b>Aspects, General Disclosure, KPIs</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                       | <b>Cross-reference in this Report/Comment</b>                                                                                                                                                                                                                                                                       |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A. Environmental</b>                  |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                     |
| <b>Aspect A1: Emissions</b>              |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                     |
| General Disclosure                       | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.<br>Hazardous wastes are those defined by national regulations | ENVIRONMENTAL MANAGEMENT                                                                                                                                                                                                                                                                                            |
| KPI A1.1                                 | The types of emissions and respective emissions data.                                                                                                                                                                                                                                                                    | ENVIRONMENTAL MANAGEMENT – Emission Reduction<br><br>The amount of air pollutant emissions on Sulphur Oxides (“SOx”), Nitrogen Oxides (“NOx”) and Particulate Matter (“PM”) is insignificant during the Reporting Period. The Group will consider disclosing relevant data in the future when the data is material. |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| <b>Aspects, General Disclosure, KPIs</b> | <b>Description</b>                                                                                                                                                                                                     | <b>Cross-reference in this Report/Comment</b>                                     |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| KPI A1.2                                 | Repealed 1 January 2025                                                                                                                                                                                                | -                                                                                 |
| KPI A1.3                                 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                       | PERFORMANCE DATA SUMMARY                                                          |
| KPI A1.4                                 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).                                                                                   | PERFORMANCE DATA SUMMARY                                                          |
| KPI A1.5                                 | Description of emission target(s) set and steps taken to achieve them.                                                                                                                                                 | ENVIRONMENTAL MANAGEMENT – Material Use and Energy Management; Emission Reduction |
| KPI A1.6                                 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.                                                                       | ENVIRONMENTAL MANAGEMENT – Waste Management                                       |
| <b>Aspect A2: Use of Resources</b>       |                                                                                                                                                                                                                        |                                                                                   |
| General Disclosure                       | Policies on the efficient use of resources, including energy, water and other raw materials.<br><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i> | ENVIRONMENTAL MANAGEMENT                                                          |
| KPI A2.1                                 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).                                             | PERFORMANCE DATA SUMMARY                                                          |
| KPI A2.2                                 | Water consumption in total and intensity (e.g. per unit of production volume, per facility).                                                                                                                           | PERFORMANCE DATA SUMMARY                                                          |
| KPI A2.3                                 | Description of energy use efficiency target(s) set and steps taken to achieve them.                                                                                                                                    | ENVIRONMENTAL MANAGEMENT – Material Use and Energy Management                     |
| KPI A2.4                                 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.                                                                   | ENVIRONMENTAL MANAGEMENT – Material Use and Energy Management                     |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| <b>Aspects, General Disclosure, KPIs</b>                | <b>Description</b>                                                                                                                                                                                                                                                                                                            | <b>Cross-reference in this Report/Comment</b>                                                                          |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| KPI A2.5                                                | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.                                                                                                                                                                                                      | PERFORMANCE DATA SUMMARY                                                                                               |
| <b>Aspect A3: The Environment and Natural Resources</b> |                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |
| General Disclosure                                      | Policies on minimising the issuer's significant impacts on the environment and natural resources.                                                                                                                                                                                                                             | ENVIRONMENTAL MANAGEMENT – Material Use and Energy Management                                                          |
| KPI A3.1                                                | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.                                                                                                                                                                                           | ENVIRONMENTAL MANAGEMENT – Material Use and Energy Management                                                          |
| <b>Aspect A4: Climate Change</b>                        |                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |
| Repealed 1 January 2025                                 |                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |
| KPI A4.1                                                | Repealed 1 January 2025                                                                                                                                                                                                                                                                                                       | -                                                                                                                      |
| <b>B. Social</b>                                        |                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |
| <b>Aspect B1: Employment</b>                            |                                                                                                                                                                                                                                                                                                                               |                                                                                                                        |
| General Disclosure                                      | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | PEOPLE AND COMMUNITY – Employee Engagement; Talent Attraction and Retention; Diversity and Inclusion; Labour Standards |
| KPI B1.1                                                | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.                                                                                                                                                                                                              | PERFORMANCE DATA SUMMARY                                                                                               |
| KPI B1.2                                                | Employee turnover rate by gender, age group and geographical region.                                                                                                                                                                                                                                                          | PERFORMANCE DATA SUMMARY                                                                                               |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| <b>Aspects, General Disclosure, KPIs</b>   | <b>Description</b>                                                                                                                                                                                                                              | <b>Cross-reference in this Report/Comment</b>         |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <b>Aspect B2: Health and Safety</b>        |                                                                                                                                                                                                                                                 |                                                       |
| General Disclosure                         | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | PEOPLE AND COMMUNITY                                  |
| KPI B2.1                                   | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year                                                                                                                                | PERFORMANCE DATA SUMMARY                              |
| KPI B2.2                                   | Lost days due to work injury.                                                                                                                                                                                                                   | PERFORMANCE DATA SUMMARY                              |
| KPI B2.3                                   | Description of occupational health and safety measures adopted, how they are implemented and monitored.                                                                                                                                         | PEOPLE AND COMMUNITY – Employee Health and Well-being |
| <b>Aspect B3: Development and Training</b> |                                                                                                                                                                                                                                                 |                                                       |
| General Disclosure                         | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.                                                                                                                       | PEOPLE AND COMMUNITY – Development and Training       |
| KPI B3.1                                   | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).                                                                                                                                | PERFORMANCE DATA SUMMARY                              |
| KPI B3.2                                   | The average training hours completed per employee by gender and employee category.                                                                                                                                                              | PERFORMANCE DATA SUMMARY                              |
| <b>Aspect B4: Labour Standards</b>         |                                                                                                                                                                                                                                                 |                                                       |
| General Disclosure                         | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.                                                      | PEOPLE AND COMMUNITY                                  |
| KPI B4.1                                   | Description of measures to review employment practices to avoid child and forced labour.                                                                                                                                                        | PEOPLE AND COMMUNITY – Labour Standards               |
| KPI B4.2                                   | Description of steps taken to eliminate such practices when discovered.                                                                                                                                                                         | PEOPLE AND COMMUNITY – Labour Standards               |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| <b>Aspects, General Disclosure, KPIs</b>  | <b>Description</b>                                                                                                                                                                                                                                                                      | <b>Cross-reference in this Report/Comment</b>              |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>Aspect B5: Supply Chain Management</b> |                                                                                                                                                                                                                                                                                         |                                                            |
| General Disclosure                        | Policies on managing environmental and social risks of the supply chain.                                                                                                                                                                                                                | OPERATIONAL PRACTICES                                      |
| KPI B5.1                                  | Number of suppliers by geographical region.                                                                                                                                                                                                                                             | PERFORMANCE DATA SUMMARY                                   |
| KPI B5.2                                  | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.                                                                                                                     | OPERATIONAL PRACTICES – Supply Chain Management            |
| KPI B5.3                                  | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.                                                                                                                                            | OPERATIONAL PRACTICES – Supply Chain Management            |
| KPI B5.4                                  | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.                                                                                                                         | OPERATIONAL PRACTICES – Supply Chain Management            |
| <b>Aspect B6: Product Responsibility</b>  |                                                                                                                                                                                                                                                                                         |                                                            |
| General Disclosure                        | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | OPERATIONAL PRACTICES                                      |
| KPI B6.1                                  | Percentage of total products sold or shipped subject to recalls for safety and health reasons.                                                                                                                                                                                          | PERFORMANCE DATA SUMMARY                                   |
| KPI B6.2                                  | Number of products and service related complaints received and how they are dealt with.                                                                                                                                                                                                 | PERFORMANCE DATA SUMMARY                                   |
| KPI B6.3                                  | Description of practices relating to observing and protecting intellectual property rights.                                                                                                                                                                                             | OPERATIONAL PRACTICES – Product Responsibility             |
| KPI B6.4                                  | Description of quality assurance process and recall procedures.                                                                                                                                                                                                                         | OPERATIONAL PRACTICES – Product Responsibility             |
| KPI B6.5                                  | Description of consumer data protection and privacy policies, and how they are implemented and monitored.                                                                                                                                                                               | OPERATIONAL PRACTICES – Customer Privacy and Data Security |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Aspects, General Disclosure, KPIs      | Description                                                                                                                                                                                            | Cross-reference in this Report/Comment                                  |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Aspect B7: Anti-corruption</b>      |                                                                                                                                                                                                        |                                                                         |
| General Disclosure                     | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | ETHICS MANAGEMENT – Anti-Corruption                                     |
| KPI B7.1                               | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.                                     | ETHICS MANAGEMENT – Anti-Corruption                                     |
| KPI B7.2                               | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.                                                                                         | ETHICS MANAGEMENT – Anti-Corruption                                     |
| KPI B7.3                               | Description of anti-corruption training provided to directors and staff.                                                                                                                               | ETHICS MANAGEMENT – Anti-Corruption                                     |
| <b>Aspect B8: Community Investment</b> |                                                                                                                                                                                                        |                                                                         |
| General Disclosure                     | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.                 | PEOPLE AND COMMUNITY – Community Engagement                             |
| KPI B8.1                               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).                                                                                            | PEOPLE AND COMMUNITY – Community Engagement                             |
| KPI B8.2                               | Resources contributed (e.g. money or time) to the focus area.                                                                                                                                          | PERFORMANCE DATA SUMMARY<br>PEOPLE AND COMMUNITY – Community Engagement |
|                                        |                                                                                                                                                                                                        | PERFORMANCE DATA SUMMARY                                                |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Part D: Climate-related Disclosures

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Cross-reference in this Report/Comment            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>(I) Governance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                   |
| Paragraph 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                   |
| An issuer shall disclose information about:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                   |
| <p>(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <ul style="list-style-type: none"> <li>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</li> <li>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</li> <li>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</li> <li>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</li> </ul> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <ul style="list-style-type: none"> <li>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</li> <li>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</li> </ul> | <p>THE BOARD STATEMENT<br/>CLIMATE RESILIENCE</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                   | Cross-reference in this Report/Comment |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>(II) Strategy</b><br><b>Climate-related Risks and Opportunities</b>                                                                                                                                                                                                                        |                                        |
| Paragraph 20                                                                                                                                                                                                                                                                                  |                                        |
| An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: |                                        |
| (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;                                                                                       | CLIMATE RESILIENCE                     |
| (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;                                                                                                         | CLIMATE RESILIENCE                     |
| (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and                                             | CLIMATE RESILIENCE                     |
| (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.                                                                                                | CLIMATE RESILIENCE                     |
| <b>Business Model and Value Chain</b>                                                                                                                                                                                                                                                         |                                        |
| Paragraph 21                                                                                                                                                                                                                                                                                  |                                        |
| An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:                                                 |                                        |
| (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and                                                                                                                                       | CLIMATE RESILIENCE                     |
| (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).                                                                                         | CLIMATE RESILIENCE                     |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Cross-reference in this Report/Comment                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(II) Strategy and Decision-making</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                              |
| Paragraph 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                              |
| An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                              |
| (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: <ul style="list-style-type: none"> <li>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;</li> <li>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</li> <li>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</li> <li>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</li> </ul> | <p>CLIMATE RESILIENCE</p> <p>Considering that climate-related risks and opportunities are not material to the Group, the Group does not have a climate-related transition plan for the Reporting Period.</p> |
| (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | CLIMATE RESILIENCE                                                                                                                                                                                           |
| Paragraph 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                              |
| An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>It's the first year for the Group to disclose the effects of climate-related risks and opportunities. The progress will be made in the following reporting period.</p>                                    |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                            | Cross-reference in this Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Position, Financial Performance and Cash Flows</b>                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Paragraph 24 – Current financial effect                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| An issuer shall disclose qualitative and quantitative information about:                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and                                                                                                                                                               | This report contains qualitative information relating to climate-related risks and opportunities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.                                   | Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports. |
| Paragraph 25 – Anticipated financial effect                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The issuer shall provide qualitative and quantitative disclosures about:                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:<br>(i) its investment and disposal plans; and<br>(ii) its planned sources of funding to implement its strategy; and |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Cross-reference in this Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Climate Resilience</b></p> <p>Paragraph 26</p> <p>An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of: <ul style="list-style-type: none"> <li>(i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</li> <li>(ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and</li> <li>(iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</li> </ul> </li> </ul> | <p>This report contains qualitative information relating to climate-related risks and opportunities. Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Cross-reference in this Report/Comment |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>Climate Resilience</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                        |
| <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <ol style="list-style-type: none"> <li>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</li> <li>(2) whether the analysis included a diverse range of climate-related scenarios;</li> <li>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</li> <li>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</li> <li>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</li> <li>(6) time horizons the issuer used in the analysis; and</li> <li>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</li> </ol> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p> | CLIMATE RESILIENCE                     |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Cross-reference in this Report/Comment    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <b>(III) Risk Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                           |
| Paragraph 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                           |
| An issuer shall disclose information about:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                           |
| (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> <li>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</li> <li>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</li> <li>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</li> <li>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</li> <li>(v) how the issuer monitors climate-related risks; and</li> <li>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;</li> </ul> | THE BOARD STATEMENT<br>CLIMATE RESILIENCE |
| (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | THE BOARD STATEMENT<br>CLIMATE RESILIENCE |
| (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | THE BOARD STATEMENT<br>CLIMATE RESILIENCE |
| <b>(IV) Metrics and Targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |
| <b>Greenhouse Gas Emissions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                           |
| Paragraph 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                           |
| An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                           |
| (a) Scope 1 greenhouse gas emissions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ENVIRONMENTAL MANAGEMENT-                 |
| (b) Scope 2 greenhouse gas emissions; and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Emission Reduction                        |
| (c) Scope 3 greenhouse gas emission.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | PERFORMANCE DATA SUMMARY                  |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                           | Cross-reference in this Report/Comment                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Greenhouse Gas Emissions</b>                                                                                                                                                                                                                                                                                                                       |                                                                         |
| Paragraph 29                                                                                                                                                                                                                                                                                                                                          |                                                                         |
| An issuer shall:                                                                                                                                                                                                                                                                                                                                      |                                                                         |
| (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;                                       | ENVIRONMENTAL MANAGEMENT-Emission Reduction<br>PERFORMANCE DATA SUMMARY |
| (b) disclose the approach it uses to measure its greenhouse gas emissions including:                                                                                                                                                                                                                                                                  | ENVIRONMENTAL MANAGEMENT-Emission Reduction<br>PERFORMANCE DATA SUMMARY |
| (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;                                                                                                                                                                                                                                         | PERFORMANCE DATA SUMMARY                                                |
| (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and                                                                                                                                                                                                       |                                                                         |
| (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;                                                                                                                                                                                                  |                                                                         |
| (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and                                     | ENVIRONMENTAL MANAGEMENT-Emission Reduction<br>PERFORMANCE DATA SUMMARY |
| (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | ENVIRONMENTAL MANAGEMENT-Emission Reduction<br>PERFORMANCE DATA SUMMARY |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                   | Cross-reference in this Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>Climate-related Transition Risks</b></p> <p>Paragraph 30</p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p> | <p>This report contains qualitative information relating to climate-related risks and opportunities. Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                              | Cross-reference in this Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Climate-related Physical Risks</b>                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Paragraph 31                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p> | <p>This report contains qualitative information relating to climate-related risks and opportunities. Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                            | Cross-reference in this<br>Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <p><b>Climate-related Opportunities</b></p> <p>Paragraph 32</p> <p>An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p> | <p>This report contains qualitative information relating to climate-related risks and opportunities. Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                          | Cross-reference in this Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Capital Deployment</b>                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Paragraph 33                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p> | <p>This report contains qualitative information relating to climate-related risks and opportunities. Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Cross-reference in this Report/Comment                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Internal Carbon Prices</b></p> <p>Paragraph 34</p> <p>An issuer shall disclose:</p> <p>(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>                                                                                                                                                                  | <p>The Group will continue to explore suitable measures, such as introducing an internal carbon pricing mechanism and incorporating climate-related factors into our remuneration policy, to strengthen our climate governance.</p> |
| <p><b>Remuneration</b></p> <p>Paragraph 35</p> <p>An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>The Group will continue to explore suitable measures, such as introducing an internal carbon pricing mechanism and incorporating climate-related factors into our remuneration policy, to strengthen our climate governance.</p> |
| <p><b>Industry-based Metrics</b></p> <p>Paragraph 36</p> <p>An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p> | <p>We acknowledge the importance of this disclosure, but currently consider some aspects immaterial, and are in the process of developing the necessary measures to enhance our management and disclosure practices.</p>            |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cross-reference in this Report/Comment                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Climate-related Targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                          |
| <p>Paragraph 37</p> <p>An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals, and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) the metric used to set the target;</li> <li>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</li> <li>(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</li> <li>(d) the period over which the target applies;</li> <li>(e) the base period from which progress is measured;</li> <li>(f) milestones or interim targets (if any);</li> <li>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</li> <li>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</li> </ul> | <p>We acknowledge the importance of this disclosure, but currently consider some aspects immaterial, and are in the process of developing the necessary measures to enhance our management and disclosure practices.</p> |
| <p>Paragraph 38</p> <p>An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> <li>(a) whether the target and the methodology for setting the target has been validated by a third party;</li> <li>(b) the issuer's processes for reviewing the target;</li> <li>(c) the metrics used to monitor progress towards reaching the target; and</li> <li>(d) any revisions to the target and an explanation for those revisions.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>We acknowledge the importance of this disclosure, but currently consider some aspects immaterial, and are in the process of developing the necessary measures to enhance our management and disclosure practices.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Cross-reference in this Report/Comment                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Climate-related Targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                          |
| <p>Paragraph 39</p> <p>An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>We acknowledge the importance of this disclosure, but currently consider some aspects immaterial, and are in the process of developing the necessary measures to enhance our management and disclosure practices.</p> |
| <p>Paragraph 40</p> <p>For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) which greenhouse gases are covered by the target;</li> <li>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</li> <li>(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;</li> <li>(d) whether the target was derived using a sectoral decarbonisation approach; and</li> </ul> | <p>We acknowledge the importance of this disclosure, but currently consider some aspects immaterial, and are in the process of developing the necessary measures to enhance our management and disclosure practices.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Cross-reference in this Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Climate-related Targets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</li> <li>(ii) which third-party scheme(s) will verify or certify the carbon credits;</li> <li>(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</li> <li>(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</li> </ul> | <p>This report contains qualitative information relating to climate-related risks and opportunities. Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Description                                                                                                                                                                                                                                                                       | Cross-reference in this Report/Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Applicability of Cross-industry Metrics and Industry-based Metrics</b>                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Paragraph 41</p> <p>In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p> | <p>This report contains qualitative information relating to climate-related risks and opportunities. Through reviewing past experiences and reflecting on the measures we have implemented or plan to implement, we have assessed our level of preparedness in responding to climate-related events. We believe that we are adequately prepared to face future climate challenges and anticipate that current and foreseeable climate risks and opportunities will not have a material impact on our operations, value chain, financial position, cash flows, or overall performance. Although the financial impact at present is not material, relevant disclosures on financial implications will be provided in future reports.</p> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON EVA PRECISION INDUSTRIAL HOLDINGS LIMITED'S IDENTIFIED SUSTAINABILITY INFORMATION

**To the board of directors of EVA Precision Industrial Holdings Limited**

### LIMITED ASSURANCE CONCLUSION

We have conducted a limited assurance engagement on the identified sustainability information, including the greenhouse gas information, of EVA Precision Industrial Holdings Limited (the "Company") included in the "Performance Data Summary" Section of the Environmental, Social and Governance ("ESG") Report for the year ended 31 December 2025 ("the 2025 ESG Report") in the Annual Report of the Company, which are identified with a ✓ and listed below under the section "Identified Sustainability Information" (the "Identified Sustainability Information").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information is not prepared, in all material respects, in accordance with the criteria applied as explained in the 2025 ESG Report under the "Reporting Principles", "Reporting Boundary" and "Performance Data Summary" sections.

### IDENTIFIED SUSTAINABILITY INFORMATION

The Identified Sustainability Information for the year ended 31 December 2025 is summarised below:

#### Environmental

- Scope 1 Direct Greenhouse Gases (GHG) emissions (tCO<sub>2</sub>e)
- Scope 2 Indirect GHG emissions (tCO<sub>2</sub>e)
- Total Scope 1 and 2 GHG emissions (tCO<sub>2</sub>e)
- Direct energy consumption – Petrol (kwh)
- Direct energy consumption – Diesel (kwh)
- Direct energy consumption – Natural Gas (kwh)
- Indirect energy consumption – Purchased electricity (kwh)
- Total energy consumption (kwh)
- Renewable energy consumption – Solar (kwh)
- Water consumption (m<sup>3</sup>)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Employment

- Total workforce (Number of people)
- Total workforce by employment type (Number of people)
- Total workforce by contract type (Number of people)
- Total workforce by gender (Number of people)
- Total workforce by employee category (Number of people)
- Total workforce by age group (Number of people)
- Total workforce by geographical region (Number of people)
- Employee turnover rate (%)
- Employee turnover rate by gender (%)
- Employee turnover rate by age group (%)
- Employee turnover rate by geographical region (%)

## Development and Training

- The average training hours completed per employee (Hours per employee)
- The average training hours completed per employee by employee category (Hours per employee)
- The average training hours completed per employee by gender (Hours per employee)

## BASIS FOR CONCLUSION

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), and, in respect of the greenhouse gas information, International Standard on Assurance Engagements 3410, *Assurance engagements on greenhouse gas statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board (the "IAASB").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the Practitioner's responsibilities section of our report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountant issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## RESPONSIBILITIES FOR THE IDENTIFIED SUSTAINABILITY INFORMATION

Management of the Company is responsible for:

- the preparation of the Identified Sustainability Information in accordance with the criteria applied as explained in the ESG Report 2025 under the “Reporting Principles”, “Reporting Boundary” and “Performance Data Summary” sections;
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Identified Sustainability Information, in accordance with the criteria applied as explained in the ESG Report 2025 under the “Reporting Principles”, “Reporting Boundary” and “Performance Data Summary” sections, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance is responsible for overseeing the Company’s sustainability reporting process.

## Inherent limitations in preparing the Identified Sustainability Information

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PRACTITIONER'S RESPONSIBILITIES

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Identified Sustainability Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Company's use of the criteria applied as explained in the ESG Report 2025 under the "Reporting Principles", "Reporting Boundary" and "Performance Data Summary" sections as the basis for the preparation of the Identified Sustainability Information;
- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control; and
- design and perform procedures responsive to where material misstatements are likely to arise in the Identified Sustainability Information. 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.

## SUMMARY OF THE WORK PERFORMED

A limited assurance engagement involves performing procedures to obtain evidence about the Identified Sustainability Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Identified Sustainability Information, whether due to fraud or error.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Identified Sustainability Information by:
  - o Making inquiries of the persons responsible for the Identified Sustainability Information;
  - o Understanding the process for collecting and reporting the Identified Sustainability Information;
- Evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by the Company;
- Performed substantive assurance procedures on the Identified Sustainability Information on a sampling basis, which is aggregated from the information submitted by the Company's offices in the People's Republic of China, Vietnam and Mexico; and
- Considered the disclosure and presentation of the Identified Sustainability Information in the Company's 2025 ESG Report.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 30 March 2026

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

The directors and senior management members who held office during the year ended 31 December 2025 and up to the date of this report are as follows:

## EXECUTIVE DIRECTORS

**Mr. ZHANG HWO Jie**, aged 63, is the Chairman of the Group. He is the chairman of the nomination committee, and a member of the remuneration committee of the Company. He is also a director of certain subsidiaries of the Group. Mr. Zhang is responsible for the Group's overall strategic planning and marketing development. Prior to the establishment of the Group, Mr. Zhang had worked for a PRC joint venture company engaging in civil engineering projects. He started his first business in 1983 by acting as a contractor for civil engineering projects of the local government. In 1993, Mr. Zhang established EVA Limited and thereafter Mr. Zhang acquired extensive experience in customer relationship development and corporate management. He has more than 25 years of experience in marketing, strategic planning and corporate management in manufacturing industry. Mr. Zhang was granted with the "Young Industrialist Award of Hongkong" by the Federation of Hong Kong Industries in 2008, and was bestowed as a honorary fellow by The Professional Validation Council of Hong Kong Industries in 2014. He is the president honoris causa of Hong Kong Young Industrialists Council, the honorary chairman of The Hong Kong Metals Manufacturers Association and the honorary president of Hong Kong Mould and Product Technology Association. Mr. Zhang was one of the co-founders of the Group in 1993, and is also a director of Prosper Empire Limited, which was interested in 38.94% of the issued share capital of the Company as at 31 December 2025. Mr. Zhang also serves as the independent non-executive director of Sinomax Group Limited since 4 March 2014. He is a brother of Mr. Zhang Yaohua, an executive director of the Company and Mr. Zhang Jian Hua who ceased to be an executive director of the Company on 27 August 2025. Mr. Zhang Hwo Jie is also the father of Ms. Zhang Yan Yi, an executive director of the Company. Mr. Zhang Hwo Jie was appointed as a director on 27 July 2004.

**Mr. ZHANG Jian Hua** (Former name: Wong Yat, Michael), aged 51, was the Vice Chairman of the Group, and was also a director of certain subsidiaries of the Group prior to 27 August 2025. Mr. Zhang Jian Hua was appointed as a director on 14 September 2005. He ceased to be an executive director of the Company and the Vice Chairman of the Group on 27 August 2025. During his tenure as a director of the Company and the Vice Chairman of the Group, he was responsible for the Group's organisational structure, production facilities management and business risk monitoring. Mr. Zhang previously worked for the tax bureau in Shenzhen, where he accumulated extensive experience in tax regulations and communications with government departments in China. He also possesses substantial experience in organisational planning, production facilities management and business risk monitoring in the industry of precision mould and component manufacturing. Mr. Zhang was one of the co-founders of the Group in 1993. He is a brother of Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, who are both the executive directors of the Company. Mr. Zhang Jian Hua is the uncle of Ms. Zhang Yan Yi, an executive director of the Company.

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

**Mr. ZHANG Yaohua**, aged 53, is the Chief Executive of the Group, and is also a director of certain subsidiaries of the Group. Mr. Zhang is responsible for the Group's operation and management. He was one of the co-founders of the Group in 1993, and has more than 30 years of operational management experience in the industry of precision mould and component manufacturing. He has been the vice chairman of the 8th executive committee of Shenzhen Federation of Industry & Commerce (深圳市工商業聯合會) since December 2019 and the executive president of Shenzhen Machinery Association (深圳市機械行業協會) since November 2018. Mr. Zhang has been the vice chairman of Guangdong Die & Mould Industry Association (廣東省模具工業協會) since 2010. He has also been the chairman of Guangdong-Hong Kong-Macao Advanced Manufacturing Industry Alliance (粵港澳先進製造產業聯盟) since November 2018 and also the first chairman of Shenzhen Advanced Manufacturing Technology Association (深圳市先進製造技術協會) since April 2021. In May 2023, Mr. Zhang was appointed as the deputy head of Working Committee of Operation and Management (經營管理工作委員會) by China Die & Mould Industry Association (中國模具工業協會). Mr. Zhang received a number of accreditations from 2004 to 2022, including but not limited to one of the outstanding people in machinery industry (深圳機械行業傑出人物) by Shenzhen Machinery Association (深圳市機械行業協會), a "Creative and Outstanding Person of China Enterprises" (中國企業創新優秀人物) by Chinese Association of Market Development (中國市場學會) and China Enterprise News Society (中國企業報社), an "Outstanding Entrepreneur in China Machinery Industry" (中國機械工業優秀企業家) by China Machinery Industry Federation (中國機械工業聯合會), a "Remarkable Person of Commerce in Shenzhen" (深商風雲人物) by Shenzhen General Chamber of Commerce (深圳市商業聯合會) and Shenzhen Economic Daily (深圳商報), "Ten New Figures in Guangdong's Business Community" (廣東商界十大新銳人物) by Guangdong General Chamber of Commerce (廣東省商業聯合會), "30 years in Shenzhen Machinery Industry – Outstanding Contribution Award" (深圳機械三十年 – 卓越貢獻獎) from Shenzhen Machinery Association (深圳市機械行業協會), one of the "Top 100 Business Leaders in Shenzhen" (深圳百名行業領軍人物) by Shenzhen Social Organisation Federation (深圳市社會組織總會), Shenzhen Enterprise Confederation (深圳市企業聯合會), Shenzhen Entrepreneur Association (深圳市企業家協會), Shenzhen Press Group (深圳報業集團), Shenzhen Media Group (深圳廣播電影電視集團) and "Times Entrepreneur" magazine (「時代商家」雜誌社), "Shenzhen Industry Award – the Industrialist Award" (深圳工業大獎 – 工業家獎) by the Federation of Shenzhen Industries (深圳工業總會) and Shenzhen Economic Daily (深圳商報), one of the "4th Quality Leaders in Shenzhen" by Shenzhen Association for Quality (深圳市質量協會) and one of the "Top 100 Innovation Strivers in Shenzhen" (深圳百名創新奮鬥者) by the Shenzhen Industry Leader Corporate Development Promotion Association (深圳市行業領袖企業發展促進會) and Shenzhen Economic Daily (深圳商報). Mr. Zhang is a brother of Mr. Zhang Hwo Jie, an executive director of the Company and Mr. Zhang Jian Hua who ceased to be an executive director of the Company on 27 August 2025. Mr. Zhang Yaohua is the uncle of Ms. Zhang Yan Yi, an executive director of the Company. Mr. Zhang is also a director of Prosper Empire Limited, which was interested in 38.94% of the issued share capital of the Company as at 31 December 2025. Mr. Zhang was appointed as a director on 11 January 2005.

## DIRECTORS AND SENIOR MANAGEMENT PROFILE

**Ms. ZHANG Yan Yi**, aged 29, is an executive director of the Company, and is also a director of certain subsidiaries of the Group. Ms. Zhang joined the Group in 2020 and she is mainly responsible for the Group's internal process and risk management. Ms. Zhang graduated from Royal Holloway University of London and Durham University. She obtained a bachelor's degree in Science (Economics) (First Class Honors) at the Royal Holloway University of London in 2018 and a Master of Science (Management) degree at Durham University in 2020. Ms. Zhang Yan Yi is also a director of Prosper Empire Limited, which was interested in 38.94% of the issued share capital of the Company as at 31 December 2025. Ms. Zhang was appointed as a director on 21 July 2023.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. LAM Hiu Lo**, aged 64, is an independent non-executive director of the Company. He is also the chairman of the remuneration committee of the Company and a member of the audit committee and nomination committee of the Company. Mr. Lam has over 30 years of experience in sales and marketing in China. Over the years, he has successfully built up a strong business and personal network in China. Mr. Lam is currently an executive director of Planetree International Development Limited (formerly known as Yugang International Limited), a public company listed on The Stock Exchange of Hong Kong Limited. He was appointed as a director on 11 January 2013.

**Dr. CHAI Ngai Chiu Sunny**, aged 59, is an independent non-executive director of the Company. He is also a member of the audit committee, nomination committee and remuneration committee of the Company. Dr. Chai has over 30 years of experience in the field of manufacturing. Dr. Chai is currently the group managing director of Fook Tin Group Holdings Limited which is specialised in research and development, manufacturing, marketing and distribution of quality electronic, healthcare and medical devices. Dr. Chai has assumed the position of the chairman of Hong Kong Science and Technology Parks Corporation since 2018. In 2023, he has been appointed as the honorary president by the Federation of Hong Kong Industries and has become a member of the National Committee of the Chinese People's Political Consultative Conference. He has also been appointed as the deputy chairman of the Council and Court of Hong Kong Baptist University in 2026. He was awarded the Bronze Bauhinia Star (BBS) in 2018 and Silver Bauhinia Star (SBS) in 2023 by the Chief Executive of Hong Kong for his outstanding contribution to the promotion of innovation and technology development in Hong Kong. He was also appointed as a Justice of Peace in 2021. Dr. Chai graduated with a Bachelor of Science Degree in Business from Rochester Institute of Technology (USA) in 1988 and completed an Executive MBA program (EMBA) at the Chinese University of Hong Kong in 2007. In 2010, he was awarded the Doctor of Engineering (EngD) from the City University of Hong Kong. He was conferred a University Fellow by the Hong Kong Polytechnic University in 2018 and was conferred an Honorary Fellow by the City University of Hong Kong in 2022. He was also conferred an Honorary Fellow by the Chinese University of Hong Kong and an Honorary University Fellow by Hong Kong Baptist University in 2023. Dr. Chai received the Young Industrialist Award of Hong Kong in 2004. He also received Distinguished Alumni Award from City University of Hong Kong in 2022. He was appointed as a director on 15 June 2020.

# DIRECTORS AND SENIOR MANAGEMENT PROFILE

**Ms. LING Kit Sum** (Alias: Ling Imma Kit Sum), aged 71, is an independent non-executive director of the Company. She is the chairman of the audit committee and a member of the nomination committee of the Company. Ms. Ling has over 30 years of experience in the field of auditing and accounting. She was an assurance partner of PricewaterhouseCoopers before she retired from the partnership in June 2013. Ms. Ling is a council member and the treasurer of The Education University of Hong Kong. She is a member of the Advisory Board of the Hong Kong Institute of Information Technology of Vocational Training Council. Ms. Ling is a Panel Member of Review Boards on School Complaints of the Education Bureau. She is also a council member and an honorary secretary of The Hong Kong Federation of Youth Groups and an executive committee member of the Hong Kong Youth Hostels Association. Ms. Ling is an independent manager of the incorporated management committee of Ng Yuk Secondary School, an aided school. Ms. Ling previously served as a member of the Hospital Governing Committee of Hospital Authority from April 2015 to March 2022 and the Appeal Board Panel (Town Planning) from October 2016 to September 2022. She also served as a board member of the Estate Agents Authority from November 2015 to October 2021 and the Employees Compensation Assistance Fund Board from July 2006 to June 2012. Ms. Ling was an independent non-executive director of Digital Hollywood Interactive Limited from November 2017 to June 2021, Wise Ally International Holdings Limited from December 2019 to June 2023 and Arta TechFin Corporation Limited from October 2021 to December 2025, all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Ms. Ling is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Chartered Professional Accountants of Ontario, Canada, and the Chartered Institute of Management Accountants. She is an accredited general mediator. Ms. Ling is also an independent non-executive director of Raymond Industrial Limited, Melbourne Enterprises Limited, ENM Holdings Limited and Chinney Kin Wing Holdings Limited, all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Ms. Ling was appointed as a director on 1 July 2020.

## SENIOR MANAGEMENT

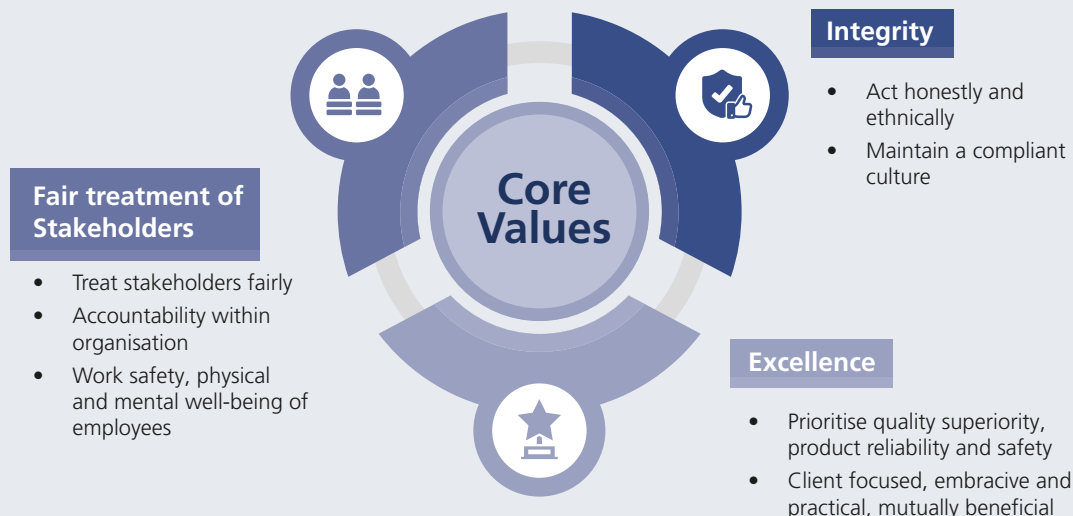
**Ms. LEE Hiu Laam Joyce**, aged 38, is the chief financial officer of the Group and the company secretary of the Company. Ms. Lee is responsible for the accounting, taxation and financial affairs of the Group. Ms. Lee has over 10 years of experience in accounting, auditing and financial management. Prior to joining the Company, she was the financial controller of a fintech company specializing in digital wallet and e-payments, and before that the head of the corporate finance team of a multinational garment manufacturer and retailer headquartered in Hong Kong, and a manager in PricewaterhouseCoopers. Ms. Lee is a member of the Hong Kong Institute of Certified Public Accountants. She is also a Certified ESG Planner CEP® and a member of the International Chamber of Sustainable Development. She holds a bachelor's degree in Business Administration (Marketing and Management) from the Chinese University of Hong Kong. Ms. Lee was appointed as the company secretary on 1 January 2021.

# CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining high standards of corporate governance. The Board believes that good corporate governance practices are important to safeguard and maximise shareholder value. The Company has its own code of conduct regarding corporate governance which is not less stringent than the provisions of the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (the “Listing Rules”) and the Company also has a policy of seeking to comply with established best practices in the field of corporate governance.

## CORPORATE CULTURE

The Group is devoted to becoming a world leader in providing professional solutions in precision and smart manufacturing. In the journey of achieving this vision, the Group pursue excellence in its manufacturing and other operations, commit itself to the highest standard of integrity, and ensure its stakeholders are treated fairly and with care. These values are embedded in the Group’s corporate culture, as demonstrated in the graph below, and the Board is of the view that the Group’s value and corporate culture are aligned.



The Group communicates and promotes its desired culture within the Group mainly (a) by organising trainings to its employees on a broad variety of topics such as work safety, anti-corruption, process management, and importance of self-improvement and value-add; and (b) through employee engagement activities. For further details, please refer to the heading “People and Community” in the Environmental, Social and Governance Report.

# CORPORATE GOVERNANCE REPORT

In pursuing excellence, the Group's corporate culture drives it to improve through a collaborative process. In this regard, Quality Control Circles activities are held regularly where employees at all level of seniority can participate in identifying areas for improvement in the production process in an open, collaborative, inclusive, and effective manner. For further details of the Group's operational practices, including its supply chain management, product responsibility, and quality management, please refer to the heading "Operational Practices" in the Environmental, Social and Governance Report.

The Group has a strong ethical and compliant culture, where non-compliance with laws, and in particular, unethical and corruptive practices are not tolerated. The Board has consistently been reviewing the effectiveness of the Group's internal control and risk management system to ensure compliance. Staff who are non-compliant are held accountable. For further details, please refer to the heading "Ethical Management" in the Environmental, Social, and Governance Report.

## THE BOARD OF DIRECTORS

The Group is governed by its Board. Accountable to the shareholders, the Board is collectively responsible for formulating the strategic business direction of the Group, setting objectives for management, overseeing its performance and assessing the effectiveness of management strategies. The Board is also responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, the implementation of internal control and risk management procedures and ensuring compliance with relevant statutory requirements and other rules and regulations. The Board reviews the performance of the operating divisions on a regular basis and also exercises its reserved powers, including:

# CORPORATE GOVERNANCE REPORT

- formulating long-term strategy;
- approving public announcements including the interim and annual financial statements;
- setting dividend policy;
- approving major acquisitions, divestments and capital expenditure;
- overseeing the Group's management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis, and reviewing the effectiveness of the Group's risk management and internal control systems which cover all material controls, including financial, operational and compliance controls;
- handling and dissemination of inside information;
- approving appointments to the Board and the company secretary; and
- approving material borrowings and treasury policy.

The Group has arranged appropriate insurance cover in respect of relevant actions against its directors with the details and coverage of this insurance being reviewed each year.

# CORPORATE GOVERNANCE REPORT

## COMPOSITION OF THE BOARD

During the year, the Board had the following directors:

### Executive directors

Mr. Zhang Hwo Jie (*Chairman*)

Mr. Zhang Jian Hua (*Vice Chairman*) (Resigned as a director and the Vice Chairman on 27 August 2025)

Mr. Zhang Yaohua (*Chief Executive*)

Ms. Zhang Yan Yi

### Independent non-executive directors

Mr. Lam Hiu Lo

Dr. Chai Ngai Chiu Sunny

Ms. Ling Kit Sum

The biographical details of the directors are set out on page 105 to page 108 under the section headed “Directors and Senior Management Profile” of the annual report.

### Relationship between the Board members

Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua are brothers. Ms. Zhang Yan Yi is a daughter of Mr. Zhang Hwo Jie and a niece of both Mr. Zhang Jian Hua and Mr. Zhang Yaohua.. Save as aforesaid, the Board members have no financial, business, family or other material relationships with each other.

### Independent non-executive directors

The Group has a balanced board composition to ensure strong independence exists across the Board. More than one-third of the Board members are currently consisted of independent non-executive directors, with extensive experience in the field of accounting, financial management, sales and marketing, manufacturing and innovation technology. With their expertise, they bring independent and objective views to the Board, give constructive advices and scrutinise the performance of the Company. The composition of the Board also complies with the requirement under rule 3.10(2) of the Listing Rules in respect of appropriate professional qualifications, or accounting or related financial management expertise.

The Group has also received from each of the independent non-executive directors a written annual confirmation that each of them and their immediate family members are independent from the Group as required under rule 3.13 of the Listing Rules. As such, the Group considers all of the independent non-executive directors to be independent.

# CORPORATE GOVERNANCE REPORT

Each of the independent non-executive directors has entered into a service contract with the Company for a term of two years and is also subject to retirement by rotation at the annual general meetings of the Company. These contracts are terminable by the Company within one year without payment of compensation (other than statutory compensation).

## **Chairman and Chief Executive**

To ensure a balance of power and authority, the role of the Chairman and the Chief Executive is segregated. The Chairman of the Board is Mr. Zhang Hwo Jie and the Chief Executive is Mr. Zhang Yaohua. Mr. Zhang Hwo Jie and Mr. Zhang Yaohua are brothers. However, there is a clear distinction between the Chairman's responsibility for overall strategic planning and management of the Board and the Chief Executive's responsibility for the management of the day-to-day operations of the Group's business.

## **Directors' responsibilities for the financial statements**

The directors acknowledged their responsibilities for the preparation of financial statements of the Group to ensure that these financial statements give a true and fair view of the state of affairs of the Group, its results of operations and cash flows. In preparing the financial statements for the year ended 31 December 2025, the Board had selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements in accordance with relevant accounting standards and regulations and on a going concern basis. The directors are also responsible for ensuring that proper accounting records of the Group which disclose the Group's financial position are kept at all times and taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in the preparation of the financial statements. The Board has also reviewed and discussed the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls for the year ended 31 December 2025.

# CORPORATE GOVERNANCE REPORT

## Board and general meetings

During the year ended 31 December 2025, the Company held 6 full Board meetings and one general meeting.

| Directors                                       | Number of attendance |                 |
|-------------------------------------------------|----------------------|-----------------|
|                                                 | Board meeting        | General meeting |
| <b>Executive directors</b>                      |                      |                 |
| Mr. Zhang Hwo Jie                               | 6/6                  | 1/1             |
| Mr. Zhang Jian Hua (Resigned on 27 August 2025) | 5/5                  | 1/1             |
| Mr. Zhang Yaohua                                | 6/6                  | 1/1             |
| Ms. Zhang Yan Yi                                | 6/6                  | 1/1             |
| <b>Independent non-executive directors</b>      |                      |                 |
| Mr. Lam Hiu Lo                                  | 6/6                  | 1/1             |
| Dr. Chai Ngai Chiu Sunny                        | 6/6                  | 1/1             |
| Ms. Ling Kit Sum                                | 6/6                  | 1/1             |

Mr. Zhang Jian Hua ceased to be a director of the Company on 27 August 2025 and during the year ended 31 December 2025, Mr. Zhang Jian Hua had not attended the board meeting held after his cessation to act as a director of the Company.

Mr. Zhang Jian Hua, the then executive director of the Company and all the independent non-executive directors of the Company, namely, Mr. Lam Hiu Lo, Dr. Chai Ngai Chiu Sunny and Ms. Ling Kit Sum, were unable to attend the Company's annual general meeting held on 20 May 2025 in person because of their other business commitments. All of them had, however, joined the meeting by video conference.

The Chairman of the Board and the chairmen of the audit, remuneration and nomination committees of the Company had attended the annual general meeting in 2025 to gain and develop a balanced understanding of the views of the shareholders in accordance with F.1.3 of the CG Code. In addition, a meeting was held on 12 November 2025 pursuant to C.2.7 of the CG Code between the Chairman of the Board and the independent non-executive directors, namely, Mr. Lam Hiu Lo, Dr. Chai Ngai Chiu Sunny and Ms. Ling Kit Sum, without the other executive directors present. Since the attendance of the other executive directors was not required for that meeting, Mr. Zhang Yaohua and Ms. Zhang Yan Yi had not attended that meeting.

# CORPORATE GOVERNANCE REPORT

Board meetings are held on a regular and ad hoc basis. Regular meetings are convened by the Chairman at least four times a year, at approximately quarterly intervals and fourteen days' notice is given to all directors before such meetings. Agendas and related documents are sent to the directors at least three days prior to such meetings. During the year, Mr. Zhang Hwo Jie, Chairman of the Board, had also met with the independent non-executive directors without the other executive directors present.

Board minutes are kept by the company secretary and are open for inspection by the directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the company secretary and has the liberty to seek external professional advice if so required.

The procedures for shareholders to convene an extraordinary general meeting and to put forward proposals at shareholders' meetings are set out in the section headed "Shareholders' Rights" below.

## **Directors' Continuing Professional Development Programme**

The Group believes that directors' training is an ongoing process. All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year, the directors are provided with:

- updates and training materials relating to the roles, functions and responsibilities of directors from time to time.
- monthly updates on the Group's performance, position and prospects to enable the Board as a whole and each director to discharge their duties.
- updates and training materials on the latest development of the Listing Rules and other applicable regulatory requirements from time to time.
- updates and training materials on risk management and internal controls from time to time.

Briefing sessions conducted by the Company's auditor or legal advisor for the directors about the latest development of the Listing Rules and other applicable regulatory requirements (including in relation to risk management and internal controls) were organised from time to time, with a view to ensuring compliance and enhancing the directors' awareness of good corporate governance practices. In addition, the Company arranged, from time to time, (i) external ESG experts to provide briefing sections for directors about ESG-related matters; and (ii) internal staff members and external industry experts to provide briefing sections for directors about industry-specific developments, business trends, and strategies relevant to the Company.

# CORPORATE GOVERNANCE REPORT

The individual training record of each director during the year ended 31 December 2025 is out below:

| Directors                                       | Type of continuous professional development programmes<br>(Note) |
|-------------------------------------------------|------------------------------------------------------------------|
| <b>Executive directors</b>                      |                                                                  |
| Mr. Zhang Hwo Jie                               | (A) and (B)                                                      |
| Mr. Zhang Jian Hua (Resigned on 27 August 2025) | (A) and (B)                                                      |
| Mr. Zhang Yaohua                                | (A) and (B)                                                      |
| Ms. Zhang Yan Yi                                | (A) and (B)                                                      |
| <b>Independent non-executive directors</b>      |                                                                  |
| Mr. Lam Hiu Lo                                  | (A) and (B)                                                      |
| Dr. Chai Ngai Chiu Sunny                        | (A) and (B)                                                      |
| Ms. Ling Kit Sum                                | (A) and (B)                                                      |

Note:

(A): attending briefing sessions and/or seminars; and (B): reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements.

# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE

The Company has set up an audit committee since 20 April 2005 for the purpose of reviewing the financial reporting process, risk management and internal control systems and corporate governance matters of the Group. The audit committee is mainly responsible for making recommendations to the Board on the appointment and re-appointment of the external auditor, approving the remuneration and terms of engagement of external auditor and other matters relating to the resignation or dismissal of external auditor. The audit committee is also responsible for reviewing the interim and annual reports and financial statements of the Group and overseeing the Group's financial reporting system and corporate governance function. It also reviews the effectiveness of the Group's risk management system and internal audit function. The terms of reference of the audit committee, which are aligned with the provisions set out in the CG Code, are available on the Company's websites at [www.eva-group.com](http://www.eva-group.com) or [www.irasia.com/listco/hk/evaholdings](http://www.irasia.com/listco/hk/evaholdings).

The audit committee comprises the three independent non-executive directors, namely, Ms. Ling Kit Sum, Mr. Lam Hiu Lo and Dr. Chai Ngai Chiu Sunny, with Ms. Ling Kit Sum as the chairman. During the year ended 31 December 2025, the audit committee held 2 meetings and had attended to the following matters:

- discuss with external auditor with respect to the accounting principles and practices adopted by the Group, and compliance with the Listing Rules and other financial reporting requirements; and
- discuss the risk management, internal control and financial reporting matters relating to the annual financial statements for the year ended 31 December 2024 and the interim financial statements for the six months ended 30 June 2025 before recommending the financial statements to the Board for approval.

The external auditor of the Group also attended the meetings. Individual attendance of each audit committee member at the meetings is as follows:

| <b>Name of audit committee member</b> | <b>Attendance</b> |
|---------------------------------------|-------------------|
| Ms. Ling Kit Sum                      | 2/2               |
| Mr. Lam Hiu Lo                        | 2/2               |
| Dr. Chai Ngai Chiu Sunny              | 2/2               |

# CORPORATE GOVERNANCE REPORT

The audit committee had reviewed the accounting principles and practices adopted by the Group and discussed the risk management, internal control, corporate governance and financial reporting matters with management including a review of the audited consolidated financial statements for the year ended 31 December 2025. The audit committee considered the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting functions, and their training programmes and budget. The audit committee also reviewed the training and continuous development of the directors and senior management.

## NOMINATION COMMITTEE

The Company has set up a nomination committee since 31 January 2012. The nomination committee is principally responsible for the selection and assessment of candidates for appointment as directors, assisting the board in maintaining a board skill matrix and determining the policy for nomination of directors. Selected employees for senior management and board positions will also be considered provided that they demonstrate the suitability as a candidate. In considering the nomination of new directors, the factors listed below would be used as reference by the nomination committee in assessing the suitability of a proposed candidate:

- (i) Reputation for integrity and professional ethics;
- (ii) Accomplishment and experience in his/her field of industry. Priority will be given to candidates with high level of experience in the Group's core markets;
- (iii) Commitment in respect of available time and relevant interest; and
- (iv) Board diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and not meant to be exhaustive and decisive. In the case of the appointment of independent non-executive directors, the nomination committee will also assess the independence of the candidates and their immediate family members. The terms of reference of the nomination committee, which are aligned with the provisions set out in the CG Code, are available on the Company's websites at [www.eva-group.com](http://www.eva-group.com) or [www.irasia.com/listco/hk/evaholdings](http://www.irasia.com/listco/hk/evaholdings).

The nomination committee also supports the Company's regular evaluation of the board's performance.

# CORPORATE GOVERNANCE REPORT

The nomination committee comprises the Chairman, Mr. Zhang Hwo Jie and the three independent non-executive directors, namely, Mr. Lam Hiu Lo and Dr. Chai Ngai Chiu Sunny and Ms. Ling Kit Sum who was appointed as a member of the nomination committee on 28 March 2025. Mr. Zhang Hwo Jie is the chairman of the nomination committee. During the year ended 31 December 2025, the nomination committee held 2 meetings. Individual attendance of each nomination committee member at the meetings is as follows:

| Name of nomination committee member           | Attendance |
|-----------------------------------------------|------------|
| Mr. Zhang Hwo Jie                             | 2/2        |
| Mr. Lam Hiu Lo                                | 2/2        |
| Dr. Chai Ngai Chiu Sunny                      | 2/2        |
| Ms. Ling Kit Sum (Appointed on 28 March 2025) | 1/1        |

The nomination committee had reviewed the structure, size and composition of the Board and assessed the independency of the independent non-executive directors during the year ended 31 December 2025. The nomination committee had also considered the number and nature of offices in other public companies and organisations held by the directors and evaluated the performance and contribution of the directors including the sufficiency of their time and attention given to the Company's affairs. The nomination committee also reviewed the Company's board diversity policy and the board nomination policy.

During the year ended 31 December 2025, Ms. Ling Kit Sum had only attended the meeting of the nomination committee held after her appointment on 28 March 2025 as a member of the nomination committee.

## PROCEDURES FOR THE NOMINATION OF A DIRECTOR

- (i) The company secretary shall call a meeting of the nomination committee, and invite nominations of candidates from Board members for consideration by the nomination committee prior to its meeting;
- (ii) For filling a casual vacancy, the nomination committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the nomination committee shall make nominations to the Board for its consideration and recommendation;
- (iii) Any director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company and shall then be subject to re-election by shareholders;

# CORPORATE GOVERNANCE REPORT

- (iv) In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to shareholders. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information of the proposed candidates, as required pursuant to the applicable laws, rules and regulations, will be included in the circular to shareholders;
- (v) A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the company secretary;
- (vi) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting; and
- (vii) The Company's shareholders have the right to propose a person for election as a director at a general meeting without the recommendation by the Board and the nomination committee. The procedures for shareholders to propose a person for election as a director are available on the Company's website at [www.eva-group.com](http://www.eva-group.com) or [www.irasia.com/listco/hk/evaholdings](http://www.irasia.com/listco/hk/evaholdings).

## BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Accordingly, the nomination committee has a policy concerning the diversity of Board members. The Company's board diversity policy is available on the Company's websites at [www.eva-group.com](http://www.eva-group.com) or [www.irasia.com/listco/hk/evaholdings](http://www.irasia.com/listco/hk/evaholdings).

### Summary

With a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In designing the Board's composition, Board diversity has been considered from a wide range of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenges that enable the Board to discharge its duties and responsibilities effectively, support good decision making in respect of the core businesses and strategy of the Group, and support succession planning and development of the Board. For achieving an optimal Board, additional measurable objectives or specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.

# CORPORATE GOVERNANCE REPORT

## Measurable Objectives

In selecting candidates for nomination as a director, the Board will take into account its board diversity policy. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

During the year ended 31 December 2025, the nomination committee had reviewed the board diversity policy of the Company, and the composition and diversity of the Board. Since the Board is composed of members coming from diverse backgrounds including manufacturing, sales and marketing, property development and professional accountants and they are also diverse in age, gender and knowledge, the nomination committee considered the Board to possess a diversity of perspectives which is up to the standard of the Listing Rules and is appropriate to the Group's requirements.

The Board currently consists of two female members and four male members. The Board recognises the benefits of achieving an appropriate balance of gender diversity at the Board level by making reference to stakeholders' expectation and international and local recommended best practices. Going forward, the Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments, with the ultimate goal of bringing the Board to gender parity. The Board also aspires to having an appropriate proportion of directors who have direct experience in the Group's core markets, with different ethnic and cultural backgrounds, and reflecting the Group's strategy.

The Board places tremendous emphasis on diversity (including gender diversity) across all levels of the Group. The total gender diversity of the Group stands at a relatively high level, with an overall split of 35% female/65% male, amongst companies in the same industry. To support diversity across all facets, beyond gender, including race and ethnicity, disability, social mobility and age, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, equitable hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours. Further details on the gender ratio of the Group and initiatives taken to improve gender diversity across senior management and the wider workforce, together with relevant data, are outlined in the "Environmental, Social and Governance Report" on page 33 to page 104.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION COMMITTEE

The Group had established a remuneration committee since 22 June 2005. The remuneration committee is principally responsible for making recommendations to the Board on the Group's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The remuneration committee is also responsible for making recommendation to the Board on the remuneration packages of individual executive directors and senior management and for ensuring that no director or any of his associates is involved in deciding his own remuneration. The terms of reference of the remuneration committee, which are aligned with the provisions set out in the CG Code, are available on the Company's websites at [www.eva-group.com](http://www.eva-group.com) or [www.irasia.com/listco/hk/evaholdings](http://www.irasia.com/listco/hk/evaholdings).

The remuneration committee comprises the Chairman, Mr. Zhang Hwo Jie and two independent non-executive directors, namely, Mr. Lam Hiu Lo and Dr. Chai Ngai Chiu Sunny. Mr. Lam Hiu Lo is the chairman of the remuneration committee. During the year ended 31 December 2025, the remuneration committee held 2 meetings. Individual attendance of each remuneration committee member at the meetings is as follows:

| <b>Name of remuneration committee member</b> | <b>Attendance</b> |
|----------------------------------------------|-------------------|
| Mr. Zhang Hwo Jie                            | 2/2               |
| Mr. Lam Hiu Lo                               | 2/2               |
| Dr. Chai Ngai Chiu Sunny                     | 2/2               |

The remuneration committee reviewed and discussed the policy and structure for directors' and senior management remuneration by reference to salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group. The remuneration committee also considered the terms of appointment and remuneration proposal of individual directors upon renewal of directors' service contracts.

Details of (i) the remuneration payable to directors for the year ended 31 December 2025 are set out in Note 26 and Note 35 to the consolidated financial statements; and (ii) the remuneration payable to senior management (by band) for the year ended 31 December 2025 are set out in Note 26 to the consolidated financial statements.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION POLICY

The remuneration policy of the Group is designed to enable the Group to attract, motivate and retain high calibre individuals, while ensuring that remuneration arrangements are aligned with the Group's strategic objectives and the long term interests of shareholders. The remuneration committee recommends to the Board on the remuneration arrangements for Directors and senior management to ensure that their remuneration levels are competitive and benchmarked against other companies competing for comparable talent in the industries in which the Group operate.

The remuneration for the executive Directors consists of both a fixed component (being base salary and allowances) and a performance related component (being a performance bonus), which are determined with reference to, among other things, the Director's responsibilities, scope of duties, experience, performance and contribution, market conditions and the Group's overall performance. The remuneration for the non-executive Directors (including independent non-executive Directors) consists of a fixed fee, which is determined with reference to the expected time commitment required of the non-executive Directors and the scale, scope and complexity of the Group's operations. The remuneration policy is reviewed by the remuneration committee on a regular basis, and at least annually, to ensure that it remains effective, competitive and sustainable in light of the Group's business needs and prevailing circumstances.

## PERFORMANCE OF CORPORATE GOVERNANCE DUTIES

The audit committee is also responsible for the corporate governance duties and determining the policy for the corporate governance of the Group. Therefore, the Group has not established another board committee for the performance of corporate governance duties at present. The audit committee had reviewed the Group's policies and practices on corporate governance and compliance with legal and regulatory requirements including the compliance with the CG Code during the year ended 31 December 2025. The audit committee also reviewed the training and continuous development of directors and senior management.

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT AND INTERNAL CONTROLS

### Overview

Effective and proactive risk management and internal controls are an essential and integral part of the Group's operation and governance process, as they help the Group to anticipate and evaluate its risk exposure, and to monitor, manage and develop methods and strategies to counter and mitigate such risks. This, in turn, assists the Group in successfully achieving its strategic and business perspectives and contributes to the long-term sustainable growth of the Group.

### Risk management structure

Roles and responsibilities are assigned to each layer of the management structure of the Group in order to facilitate efficient risk identification and assessment, and implementation of business solutions and countermeasures, with respect to all decision-making processes in the Group's day-to-day operations. Clear delineation of responsibilities also increases accountability within each level of the Group. This also ensures that proper reporting, documentation and effective communication within the Group is maintained to manage and mitigate risks in an efficient matter:

- Each operational department of the relevant subsidiary of the Group is responsible for identifying and assessing risks associated with each stage of its day-to-day operations and transactions, including when negotiating and collaborating with customers, suppliers, business partners and other third parties with reference to and in compliance with the internal risk management and internal control policies and procedures established and maintained by the Risk Management Centre of the Group. Such findings are documented and reported to management accordingly.
- The core function of the Risk Management Centre of the Group is to coordinate and oversee the status of compliance with risk management and internal control systems guidelines and standards within all levels of the Group, and ensure such systems, guidelines and standards are properly implemented on a Group-wide basis. This involves critically assessing and managing key operational and management risk areas within the Group, including but not limited to working with other departments of the Group to ensure there is effective communication across all departments at an operational level via secured internal IT systems database and documentation procedures. The Risk Management Centre is also responsible for reporting to the management and the Board on material risks affecting the Group, liaising and consulting with external auditors, legal counsel and other professional parties where appropriate, and assisting the Board in developing mitigating measures to counter such risks.

# CORPORATE GOVERNANCE REPORT

- The Audit Committee of the Company reviews the effectiveness of the Group's internal audit function which is carried out by the Risk Management Centre, and supervises and works closely with external auditors to continually review the material risks identified, in particular any audit and compliance issues, and is responsible for providing guidance on how to mitigate such risks, and report to the Board as appropriate. The Audit Committee also facilitates independent audit and assessment by external auditors. For further details, please refer to page 117 to page 118 of the annual report.
- The Board is responsible for overseeing the management of all risk identification, assessment and mitigating efforts conducted by the Group and to ensure that the risk management framework aligns with the overall business and strategic objectives and policies of the Group as a whole.

The Board, through cooperation with management, the Audit Committee, the Risk Management Centre and other operational departments of the Group, regularly manages and enhances the Group's risk management and internal control systems to ensure that risk is regularly managed and the following processes and measures are properly implemented at every stage of the operations of the Group:

- prior to entering into any transaction, collect comprehensive data and information relating to the operations and counterparties and identifying and assessing key risks, and documenting the same accordingly;
- during such transaction, assess legal, operational, financial and other risks, ensure compliance with laws and regulations (including the Listing Rules) and consult with external independent professional parties where appropriate to ensure that the management and the Board are well advised and understands the key risk areas before approving a particular transaction; and
- conduct post-transaction review, evaluate and ensure proper record keeping of these findings in order to share past experiences and build a comprehensive precedent database as reference and guidance for future operations of the Group, and amend the internal policies and standards where appropriate to enhance the effectiveness of the risk management and internal control systems of the Group. Continuous, regular and proper training and education are also provided to all employees of the Group to enrich their knowledge and awareness of the risk management framework and culture and internal control objectives and strategies of the Group.

# CORPORATE GOVERNANCE REPORT

## Material risks to the Group

The following is a summary of the material risks (including operational, economic and social and environmental risks) faced by the Group as identified by the Board in its annual review of the Group's risk management and internal control systems for the financial year ended 31 December 2025, and the countermeasures implemented by the Group during the financial year ended 31 December 2025 in order to manage and mitigate such risks:

| Item      | Risk Factor                                                                                                                                                                                                                                                                                                                                                                                                                                   | Risk Rating<br>(Critical/<br>Moderate/<br>Low) | Counter Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A.</b> | <b>Operational Risks</b>                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 1.        | <p><b>Customer concentration risk</b></p> <p>For the year ended 31 December 2025, sales to the five largest customers combined represented 59.4% (2024: 64.3%) of the Group's total turnover for the reporting period.</p> <p>Any change in these customers' businesses and financial conditions is likely to have an impact on the financial performance of the Group.</p>                                                                   | Moderate                                       | <p>a) Perform credit evaluation of the Group's customers to ensure that sales are made only to entities with viable businesses and sound financial background.</p> <p>b) Closely monitor and approve credit periods granted to the customers by management of the Group.</p> <p>c) Identify and develop new customers to widen the customer base and reduce the reliance on existing key customers.</p>                                                                                                                                                                                                                                                      |
| 2.        | <p><b>Relocation of customer orders</b></p> <p>In recent years, there has been a decrease in customer orders from China, including Shenzhen, Suzhou and Weihai, in the OA equipment sector, and an increasing trend of customer orders shifting to Southeast Asia.</p> <p>Failure to manage the operations of the Group to align with the changing customer trends may adversely affect the Group's operations and financial performance.</p> | Moderate                                       | <p>a) Continue development of the Group's production base in Vietnam to match the trend of OA equipment orders moving to Southeast Asia.</p> <p>b) Expanded operations in Southeast Asia by construction of a new industrial park in Quang Ninh Province in northern Vietnam in 2024 to meet customer demand in Southeast Asia.</p> <p>c) Identify and explore new market opportunities in Southeast Asia apart from Vietnam, to reduce the reliance on Vietnam operations for the OA equipment sector.</p> <p>d) Continue close monitoring of the business performances in existing Shenzhen, Suzhou and Weihai operations for the OA equipment sector.</p> |

# CORPORATE GOVERNANCE REPORT

| Item | Risk Factor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Risk Rating<br>(Critical/<br>Moderate/<br>Low) | Counter Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                | <p>e) Expand new market opportunities in existing industrial parks in Suzhou and Weihai, for example, launching new self-developed printing products to enter into domestic OA market and developing new ways of generating cash flows in existing industrial parks in Suzhou, including but not limited to, leasing of existing unused factory floors, to maintain steady cash inflows for operations.</p> <p>f) Streamline and downsize the operations in the existing factories in order to eliminate unproductive units, to reduce cash outflows and improve profits.</p>                                                                  |
| 3.   | <p>Fierce competition in the automotive component sector in China</p> <p>The actively changing landscape of the automobile industries in China, including but not limited to, evolving customer demands, rapid shift towards electric vehicles (EVs) and the trend of Chinese carmakers offering affordable technology-enabled vehicle solutions, has been making the automotive component sector in China in which the Group operates, highly competitive. Many new EV players have entered the Chinese market and a number of new car models have been launched or announced to be launched in the recent three years. The sales of these new car models are unpredictable.</p> <p>Failure to capture the sales orders from selling brands as well as failure to align with the changing customer trends may adversely affect the Group's operations and financial performance.</p> | Moderate                                       | <p>a) Work closely with existing customers and strengthen the customer relationships to secure more mould development and component production orders from existing customers.</p> <p>b) Identify and develop new customers to widen the customer base and reduce the reliance on existing key customers.</p> <p>c) Continue development of the Group's production base in Mexico to balance the operational and financial risks associated with the Chinese markets.</p> <p>d) Invest in research and development of new manufacturing technology that aligns with the fast-changing product trends in order to win more customer orders.</p> |

# CORPORATE GOVERNANCE REPORT

| Item | Risk Factor                                                                                                                                                                                                                                                                                                                                                                           | Risk Rating<br>(Critical/<br>Moderate/<br>Low) | Counter Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.   | <p>Supply chain risk</p> <p>The Group depends on its suppliers for the stable and timely delivery of materials.</p> <p>Bankruptcy, credit issues or fraudulent activities in key suppliers may lead to shutdowns of suppliers and disruption in deliveries. Any shortage or delay in supply or deterioration in quality of materials may adversely affect the Group's operations.</p> | Low                                            | <p>a) Broaden the supplier base for the supply of materials to avoid over-reliance on a concentrated group of suppliers.</p> <p>b) Conduct regular reviews and updates to policies and parameters of the Group in sourcing materials from suppliers to ensure effective cost control and good quality of materials is maintained.</p> <p>c) In selecting suppliers, apart from the quality of services and products, the Group also takes into account supplier integrity, social responsibility, and emission and pollution levels. Procurement teams are trained to consider all aspects of these policies. Tendering procedures are communicated thoroughly to vendors to ensure clarity and understanding of expectations.</p> <p>d) Suppliers are evaluated and ranked based on legal, financial and technical benchmarks. Annual background checks are conducted to assess track records of a supplier in key risk areas, for example, disputes with stakeholders, risk of corruption, integrity and social responsibility actions.</p> |

# CORPORATE GOVERNANCE REPORT

| Item      | Risk Factor                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Risk Rating<br>(Critical/<br>Moderate/<br>Low) | Counter Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B.</b> | <b>Economic and Social Risks</b>                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1.        | Weak economic rebound in China                                                                             | <p>Although the world economy is slowly recovering in 2025, the economic rebound in China was still less than expected and customer demand on higher-end OA equipment products dropped. Hence, the higher-end Japanese-based OA equipment sales have declined in China.</p> <p>Any change in these customers' demands and financial conditions is likely to have an impact on the financial performance of the Group.</p>                             | Moderate                                       | <p>a) Identify and develop new customers to widen the customer base and spread the impact of oversupply.</p> <p>b) Expand new market opportunities in mainland China, for example, launching new self-developed printing products to tap into domestic OA market that is more price-sensitive and favouring mass-market, affordable products.</p> <p>c) Tighten cost controls, streamline and downsize the operations in the existing factories in order to eliminate unproductive units, to reduce cash outflows and improve profits.</p>                                                                                 |
| 2.        | Geopolitical instabilities and uncertainty may severely affect customer orders and supply chain operations | <p>Worsened Sino-US relations and the additional tariffs imposed on US imports have impacted customer order intentions to a certain extent in the OA equipment sector in 2025. This may further push up global inflation and affect end-user market demand which in turn impact the Group's revenue.</p> <p>Failure to put in place measures to counter these economic and social risks may adversely affect the Group's business and operations.</p> | Moderate                                       | <p>a) Persist with prudent financial strategy and cost control efforts.</p> <p>b) Continue close monitoring of the business performances in existing operations that may be affected by the potential additional tariffs, such as China and Vietnam, and work closely with customers to review the manufacturing processes.</p> <p>c) Make use of its global production layout, its formidable R&amp;D team, premium quality production resources and highly synergistic supply chain network in order to diversify the risk across the Group's operations and lower the impact of the risk on any particular segment.</p> |

# CORPORATE GOVERNANCE REPORT

| Item                          | Risk Factor                                          | Risk Rating<br>(Critical/<br>Moderate/<br>Low)                                                                                                                                                                                                                                                                                                                                                    | Counter Measures                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>C. Environmental Risks</b> |                                                      |                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 1.                            | Climate risk                                         | Extreme weather conditions (such as typhoons and rainstorms) may cause disruption to the Group's production schedule, and can cause possible financial loss to the Group.                                                                                                                                                                                                                         | Low                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                               |                                                      |                                                                                                                                                                                                                                                                                                                                                                                                   | <p>a) Implement climate-resilient design and development plans to mitigate potential adverse impacts from extreme weather conditions.</p> <p>b) Establish business continuity plans to minimise disruptions and losses during suspension of operation.</p> <p>c) Regularly review the impact of climate change on the Group's operation and formulating measures in response to various risks to achieve sustainable development.</p> |
| 2.                            | Material use, energy, emissions and waste management | The Group is required to comply with numerous environmental protection laws and regulations promulgated by the national, provincial and municipal governments in the PRC. These regulations govern, inter alia, the prescribed standards in relation to the discharge of solid wastes, effluent and gases. Penalties may be imposed on companies which fail to comply with relevant requirements. | Low                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                               |                                                      |                                                                                                                                                                                                                                                                                                                                                                                                   | Launch various initiatives to optimise material use, reduce emissions, and conserve resources through efficient waste management. For further details, please refer to page 54 to page 58 of the annual report.                                                                                                                                                                                                                       |

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| Item                              | Risk Factor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Risk Rating<br>(Critical/<br>Moderate/<br>Low) | Counter Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>D. Financial and Tax Risks</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 1.                                | <p>Breach of financial covenants and undertaking of controlling shareholders' performance obligation under the external bank borrowings</p> <p>As at 31 December 2025, the Group had external bank borrowings of HK\$2.16 billion, most of which are subject to financial covenants (i.e. liquidity, interest coverage, dividend ratios, etc.) and controlling shareholders' performance obligation (i.e. maintaining a percentage of issued share capital, etc. as set out in the section headed "Specific Performance Obligations of the Controlling Shareholders" in the annual report). Failure to comply with these covenants and performance obligations may trigger an "event of default", resulting in the bank borrowings becoming immediately due and payable, severe liquidity strain, and potential cross-default across facilities.</p> <p>Failure to manage this risk could accelerate repayment demands, halt operations, and threaten the Group's going concern basis.</p> | Moderate                                       | <p>a) Monitor key financial ratios monthly, such as net-debt-to-equity ratio, liquidity ratio and interest coverage, and conduct stress tests under base and worst case scenarios.</p> <p>b) Negotiate covenant amendments or headroom extensions during annual facility reviews if any changes to the Group's business operations are anticipated.</p> <p>c) Explore funding diversification, such as bonds and equity, to reduce bank debt concentration.</p> <p>d) Monitor controlling shareholders' ownership percentage on a quarterly basis.</p> <p>e) Obtain lender prior approval for any dilutive events, for example, share options exercise and new share issuance, and prior to resignation of key individuals, in particular, Chairman and executive Directors, to avoid breach of performance obligations.</p> |

# CORPORATE GOVERNANCE REPORT

| Item | Risk Factor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Risk Rating<br>(Critical/<br>Moderate/<br>Low) | Counter Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.   | <p>The Group may be liable to pay top-up tax under the OECD Pillar Two model rules</p> <p>Under Pillar Two of BEPS 2.0, a global minimum tax of 15% is imposed on multinational enterprise (MNE) groups with annual consolidated revenue of EUR 750 million or above in at least two of the four fiscal years immediately preceding the current fiscal year.</p> <p>Under the model rules, the Group is liable to pay a top-up tax for the difference between the effective tax rate and the 15% minimum rate, which increases the Group's tax exposure and tax expenses, and could adversely affect the results of operations and financial conditions of the Group.</p> <p>Further, if the Group is required to pay a top-up tax under the model rules, this may increase cash outflows, and may affect the sufficiency of the Group's working capital.</p> | Low                                            | <p>As the Group's consolidated revenue for the years ended 31 December 2024 and 2025 did not exceed the above threshold, the Group is not currently within the scope of the OECD Pillar Two model rules.</p> <p>However, ongoing monitoring of the requirements and updates of the model rules remains essential as future revenue growth could trigger filing obligations or tax liabilities.</p> <p>a) Monitor the Group's financial forecast on a rolling basis and track its consolidated revenue (including other income, other gains, finance income and share of profit from associates) on a quarterly basis during the year ending 31 December 2026.</p> <p>b) Conduct a formal Pillar Two impact assessment for the year ending 31 December 2026, if during the monitoring period, the Group's consolidated revenue exceeds the threshold.</p> <p>c) Ensure sufficient cash reserves to cater for any potential top-up tax payments while maintaining working capital sufficiency.</p> |
| 3.   | <p>Other financial risks</p> <p>The Group's activities also expose it to a variety of financial risks, such as market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. Please refer to page 177 to page 186 of the annual report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Low                                            | <p>Please refer to page 177 to page 186 of the annual report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

# CORPORATE GOVERNANCE REPORT

## **Review of the risk management and internal control systems of the Group**

The Group's risk management and internal control systems guidelines and standards as described above are designed to manage and mitigate risks. While such systems guidelines and standards may not be able to entirely eliminate the risk of failure to achieve the Group's strategic and business objectives, it can provide a reasonable (but not absolute) assurance against material misstatement or loss. The Group has an internal audit function. The Group conducts operational and financial audits at least annually and on a regular basis throughout the financial year in order to ensure that all transactions remain compliant with these systems guidelines and standards, and to ensure all risks of the Group are managed sufficiently. The Audit Committee, on behalf of the Board, has worked closely with the management of the Group and the Board, and have discussed and confirmed with the external auditors in relation to the financial reporting matters and risk management and internal control systems for the year ended 31 December 2025, and the Audit Committee considered such systems guidelines and standards to be effective and adequate, and no significant areas of concern were identified.

## **Handling and dissemination of inside information**

The directors acknowledged their responsibilities for the handling and dissemination of inside information. With a view to identifying, handling and disseminating inside information, various procedures including pre-clearance on dealing in the securities of the Company by designated members of management, notification of regular blackout period and securities dealing restrictions to relevant directors and employees, restrictions on access to financial records and dissemination of information on a need-to-know basis have also been implemented by the Group to guard against possible mishandling of inside information within the Group.

# CORPORATE GOVERNANCE REPORT

## AUDITOR'S REMUNERATION

During the year ended 31 December 2025, the total remuneration for audit services provided by PricewaterhouseCoopers, the external auditor, amounted to HK\$5,690,000. The audit fee was approved by the audit committee. The statement made by the external auditor in respect of their reporting responsibilities is set out on page 164 to page 165 of the annual report.

During the year ended 31 December 2025, the total remuneration for permissible non-audit services provided by the external auditor (including any entity under common control, ownership or management with the external auditor) amounted to HK\$1,062,000. The non-audit services comprised tax compliance and consulting services of approximately HK\$272,000, advisory and assurance service on environmental, social and governance report of approximately HK\$520,000 and other services of approximately HK\$270,000. The audit committee had been briefed in respect of the non-audit services and related fees and was satisfied that such services did not (in terms of the nature of services and the amount of fees charged) affect the independence of external auditor. The re-appointment of PricewaterhouseCoopers as the auditor of the Company has been recommended by the audit committee and endorsed by the Board and is subject to approval by shareholders at the forthcoming annual general meeting.

For the purpose of making such recommendation, the audit committee reviewed the independence of PricewaterhouseCoopers, as well as the objectivity and effectiveness of the audit process. In particular, the audit committee (i) received a letter from PricewaterhouseCoopers confirming its independence and objectivity; (ii) assessed the incumbent auditor's engagement performance, efficiency in the delivery of the audit service, and effectiveness and timeliness of communication; (iii) obtained an understanding on the quality management and ethical standards adopted by PricewaterhouseCoopers; and (iv) met with representatives of PricewaterhouseCoopers to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services provided by it.

## COMPANY SECRETARY

The company secretary is Ms. Lee Hiu Laam. The Board had reviewed the training and continuous professional development of the company secretary during the year ended 31 December 2025 and considered that the requirements under rule 3.29 of the Listing Rules in respect of the professional training of the company secretary were complied.

# CORPORATE GOVERNANCE REPORT

## DIVIDEND POLICY

The Group is committed to enhancing shareholders' returns. In deciding its dividend policy, the Group has an objective of achieving a balance between shareholders' expectation and the Group's future expansion needs. Since the Group's IPO in 2005, the Board has adopted a policy of paying regular dividends with a normal target payout ratio of about 30% of the Group's net profit of the year, while retaining about 70% of the profit as reserve for future development. Accordingly, dividends per share have generally moved in line with earnings per share.

The Board recommends the payment of a final dividend of HK 1.91 cents per ordinary share, totaling approximately HK\$33,051,000, for the year ended 31 December 2025 which is subject to shareholders' approval at the Company's forthcoming annual general meeting to be held on 19 May 2026. Together with the interim dividend of HK\$40,319,000 paid on 29 September 2025 in respect of the six months ended 30 June 2025, the interim and final dividends for the year ended 31 December 2025 will be approximately HK\$73,370,000, which is in line with the Group's normal target payout ratio of about 30% of the net profit.

## SHAREHOLDERS' RIGHTS

### **Procedures for shareholders to convene and put forward proposals at shareholders' meetings**

Any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company ("Requisitionist(s)") shall at all times have the right, by written requisition ("Requisition") to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in the Requisition; and such meeting shall be held within two months after the deposit of the Requisition. If within twenty one days of such deposit the Board fails to proceed to convene such meeting, the Requisitionist(s) himself (themselves) may convene a physical meeting at only one location, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company. The Requisition shall be lodged at the principal place of business of the Company in Hong Kong at Unit 8, 6th Floor, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Kowloon, Hong Kong or at Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Any business or resolution proposed to be put forward at such meeting shall be specified in the Requisition.

### **Procedures for directing shareholders' enquiries to the Board**

Shareholders may at any time send their enquiries and concerns in writing to the company secretary at Unit 8, 6th Floor, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Kowloon, Hong Kong. Such concerns and enquiries will then be directed to the Board by the company secretary.

# CORPORATE GOVERNANCE REPORT

## COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has adopted a shareholders' communication policy with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the shareholders as follows:

- (i) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's websites at [www.eva-group.com](http://www.eva-group.com) or [www.irasia.com/listco/hk/evaholdings](http://www.irasia.com/listco/hk/evaholdings);
- (ii) periodic announcements are published on the websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's websites;
- (iv) annual general meetings and other general meetings provide a forum for the shareholders to make comments and exchange views with the directors and senior management. Shareholders are encouraged to participate in general meetings, and notices of meetings have been sent to shareholders in accordance with the Listing Rules and the articles of association of the Company. During the year ended 31 December 2025, the Company held one general meeting, being the annual general meeting held on 20 May 2025 (the "2024 AGM"). All Directors (including the Chairman of the Board and the chairman of each Board committee) attended the 2024 AGM either in person or by means of electronic facilities, during which the Directors were available, and actively engaged with the shareholders of the Company to understand their views and concerns and to answer their questions; and
- (v) as set out in the section headed "Shareholders' Rights" in this annual report, Requisitionists shall at all times have the right, by Requisition to the Board or the company secretary, require a general meeting to be called by the Board, and shareholders may at any time send their enquiries and concerns in writing to the company secretary, which will then be directed to the Board for consideration.

# CORPORATE GOVERNANCE REPORT

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's head office in Hong Kong. Information about the Company's head office in Hong Kong is set out in the section headed "Corporate Information". In view of the above, the Company has reviewed the implementation and effectiveness of the shareholders' communication policy and considered the policy effective.

## CHANGES IN CONSTITUTIONAL DOCUMENTS

There is no significant change in the Company's memorandum and articles of association during the year ended 31 December 2025.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all directors, the Company reported that all directors have complied with the required standards set out in the Model Code during the year ended 31 December 2025 and up to the date of this report.

## COMPLIANCE WITH THE CG CODE

The Company and the directors confirm, to the best of their knowledge, that the Company has complied with the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules during the year ended 31 December 2025.

By order of the Board  
**Zhang Hwo Jie**  
Chairman

Hong Kong, 30 March 2026

# REPORT OF THE DIRECTORS

The directors are pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the provision of precision manufacturing services, focusing on the production of moulds and components and automated assembly services with high quality standard and dimensional accuracy.

The Group's three main revenue streams are the office automation equipment business, the automotive component business and the information and communication technology business.

At present, the Group operates thirteen major industrial parks in China (Shenzhen, Suzhou, Zhongshan, Chongqing, Wuhan, Weihai and Sichuan), Vietnam (Haiphong and Quang Ninh) and Mexico (San Luis Potosi).

An analysis of the Group's turnover and operating result by business segment for the year ended 31 December 2025 is set out in Note 5 to the consolidated financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases and sales for the year ended 31 December 2025 attributable to the Group's major suppliers and customers are as follows:

### Purchases

|                                 |       |
|---------------------------------|-------|
| The largest supplier            | 6.1%  |
| Five largest suppliers combined | 18.3% |

The Group's length of relationship with its five largest suppliers ranged from 4 years to more than 10 years. The Group's length of relationship with its remaining suppliers ranged from 1 year to more than 10 years.

### Sales

|                                 |       |
|---------------------------------|-------|
| The largest customer            | 29.1% |
| Five largest customers combined | 59.4% |

The Group's length of relationship with its five largest customers ranged from 8 years to more than 10 years. The Group's length of relationship with its remaining customers ranged from 1 year to more than 10 years.

None of the directors, their close associates, or any shareholders (which, to the knowledge of the directors, owned more than 5% of the number of issued shares of the Company) had a beneficial interest in the Group's major suppliers or customers noted above.

# REPORT OF THE DIRECTORS

## BUSINESS REVIEW

A review of the Group's business for the year ended 31 December 2025 is set out in the sections headed "Chairman's Statement" on page 10 to page 13, "Management Discussion and Analysis" on page 14 to page 25, "Financial Review" on page 26 to page 32 and "Environmental, Social and Governance Report" on page 33 to page 104 of the annual report.

For the year ended 31 December 2025, sales to the five largest customers represented 59.4% of the Group's total turnover. Accordingly, any change in these customers' businesses and financial conditions is likely to have an impact on the financial performance of the Group. To manage this risk, the Group performs credit evaluation of its customers to ensure that sales are made only to entities with viable businesses and sound financial background. Credit periods granted to the customers are closely monitored and approved by the appropriate level of management. At the same time, the Group identifies and develops new customers with high potentials in an effort to widen the customer base and reduce the reliance on existing key customers.

Foreign currency risks arising from dealings with customers and suppliers in foreign currencies are discussed in the section headed "Foreign Currency Exposure" in the "Financial Review" section of the annual report. Other financial risks and uncertainties facing the Group are set out in Note 3 to the consolidated financial statements.

## RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income on page 168 to page 169.

## DIVIDENDS

The Board recommends the payment of a final dividend of HK1.91 cents per ordinary share, totaling approximately HK\$33,051,000 for the year ended 31 December 2025. Subject to the approval of the directors' recommendation by the shareholders at the forthcoming annual general meeting to be held on 19 May 2026, the final dividend will be paid in cash on 12 June 2026. Including the interim dividend of HK\$40,319,000 for the six months ended 30 June 2025 paid on 29 September 2025, the total dividends declared for the year ended 31 December 2025 will be approximately HK\$73,370,000.

## KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Details of the Group's key relationships with employees, customers and suppliers are set out in the section headed "Financial Review" on page 26 to page 32 and "Environmental, Social and Governance Report" on page 33 to page 104.

# REPORT OF THE DIRECTORS

## ENVIRONMENTAL POLICIES AND PERFORMANCE

Details of the Group's environmental policies and performance are set out in the section headed "Environmental, Social and Governance Report" on page 33 to page 104.

## COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2025, as far as the Company is aware, there is no material breach of or non-compliance with applicable laws and regulations by the Group which has a significant impact on its business and operations.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the year ended 31 December 2025 are set out in Note 6 to the consolidated financial statements.

## BORROWINGS AND INTEREST

Details of borrowings are set out in Note 20 to the consolidated financial statements. Interest and other borrowing costs are set out in Note 27 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements in share capital during the year ended 31 December 2025 are set out in Note 22 to the consolidated financial statements.

## DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2025, the Company's reserves available for distribution to the shareholders of the Company amounted to HK\$971,286,000. Details of the movements in the reserves of the Company are set out in Note 34 to the consolidated financial statements. Pursuant to the Companies Act (Revised) of the Cayman Islands and the Company's amended and restated articles of association, in addition to the profits and retained earnings of the Company, the funds in the share premium account and the capital redemption reserve of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debt as they fall due in the ordinary course of business.

## DONATIONS

The donations made by the Group during the year ended 31 December 2025 amounted to approximately HK\$257,000.

# REPORT OF THE DIRECTORS

## PENSION SCHEMES

Details of the Group's pension schemes are set out in Note 26 to the consolidated financial statements.

## FIVE YEARS FINANCIAL SUMMARY

A five years financial summary of the Group is set out on page 266.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or, any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2025.

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

### EXECUTIVE DIRECTORS

Mr. Zhang Hwo Jie (*Chairman*)

Mr. Zhang Jian Hua (*Vice Chairman*) (Ceased as a director and the Vice Chairman on 27 August 2025)

Mr. Zhang Yaohua (*Chief Executive*)

Ms. Zhang Yan Yi

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Hiu Lo

Dr. Chai Ngai Chiu Sunny

Ms. Ling Kit Sum

Pursuant to the Company's articles of association, Ms. Ling Kit Sum and Ms. Zhang Yan Yi will retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. During the year ended 31 December 2025 and up to the date of this report, except for Mr. Zhang Jian Hua, no other director has resigned or refused re-election.

None of the directors has a service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

# REPORT OF THE DIRECTORS

## PERMITTED INDEMNITY

The Company's articles of association provide that the directors of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors of the Company.

The Group has also arranged appropriate insurance cover in respect of relevant actions against its directors. Save as the aforesaid, there is no provision for indemnity against liabilities incurred by the directors to third parties.

## DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the directors' service contracts, no other transaction, arrangement or contract of significance in relation to the Company's business to which the Company, its subsidiaries or holding companies was a party and in which a director of the Company has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 December 2025 and up to the date of this report, none of the directors of the Company is considered to have direct or indirect interest in businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

## EQUITY-LINKED AGREEMENTS

The Company has a share option scheme, the details of which are set out in the section headed "Share Options" in the Report of the Directors. Save as the aforesaid, no equity-linked agreement was entered into or existed during the year ended 31 December 2025 and up to the date of this report.

# REPORT OF THE DIRECTORS

## SPECIFIC PERFORMANCE OBLIGATIONS OF THE CONTROLLING SHAREHOLDERS

A subsidiary of the Company is a party to loan agreements with Bank of China (Hong Kong) Limited in respect of the following banking facilities (“BOC Facilities Agreements”):

- (i) a term loan facility up to HK\$250,000,000 with a repayment term of three years from the date of first drawdown (the outstanding loan balance was HK\$162,500,000 as at 31 December 2025); and
- (ii) a revolving loan for an amount up to HK\$40,000,000 (the outstanding loan balance was HK\$40,000,000 as at 31 December 2025).

The following specific performance obligations are imposed on Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, being the controlling shareholders of the Company under the BOC Facilities Agreements:

- (i) Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall maintain to hold not less than 35% of the issued share capital of the Company and shall remain as the largest shareholder of the Company;
- (ii) Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company; and
- (iii) Mr. Zhang Yaohua shall remain as an executive director of the Company.

In addition, a subsidiary of the Company had entered into banking facility agreements with The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in respect of the following banking facilities (“HSBC Facilities Agreement”):

- (i) a term loan facility of up to US\$10,000,000 for a term of three years from the first drawdown date of the loan (the outstanding loan balance was US\$4,000,000 as at 31 December 2025);
- (ii) a term loan facility of up to US\$25,000,000, or an equivalent amount in Renminbi, for a term of three years from the first drawdown date of the loan (the outstanding loan balance was US\$9,000,000 as at 31 December 2025);
- (iii) a term loan facility of up to HK\$400,000,000 with the final repayment date falling four years from the date of first drawdown of the loan (the outstanding loan balance was HK\$300,000,000 as at 31 December 2025); and
- (iv) a revolving loan facility of up to HK\$50,000,000 (the outstanding loan balance was HK\$45,000,000 as at 31 December 2025) and business card facility of up to HK\$200,000 (there was no outstanding balance as at 31 December 2025).

# REPORT OF THE DIRECTORS

Under the HSBC Facilities Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall maintain not less than 35% of the issued share capital of the Company; and Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company.

Besides, a subsidiary of the Company is a party to loan agreements with Hang Seng Bank Limited in respect of the following facilities ("HSB Facilities Agreements"):

- (i) a term loan facility of up to HK\$300,000,000 with the final repayment date falling three years from the date of each drawdown (the outstanding loan balance was HK\$228,000,000 as at 31 December 2025); and
- (ii) a revolving loan of HK\$150,000,000 (there was no outstanding balance as at 31 December 2025) and a corporate credit card facility of HK\$600,000 (there was no outstanding balance as at 31 December 2025).

Under the HSB Facilities Agreements, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall maintain not less than 35% of the issued share capital of the Company, and Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company.

A subsidiary of the Company is a party to a loan agreement with MUFG Bank, Ltd. in respect of a revolving loan of HK\$30,000,000 ("MUFG Facilities Agreement") and there was no outstanding balance as at 31 December 2025.

Under the MUFG Facilities Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall hold not less than 35% of the entire issued share capital of the Company, and Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall collectively remain as single largest shareholder of the Company.

In addition, a subsidiary of the Company had entered into banking facility agreements with Fubon Bank (Hong Kong) Limited in respect of a revolving loan facility of up to HK\$150,000,000 ("Fubon Facilities Agreement") and there was no outstanding balance as at 31 December 2025.

Under the Fubon Facilities Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall collectively maintain holding of not less than 35% of the legal and beneficial interest in the issued share capital of the Company, and Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company.

# REPORT OF THE DIRECTORS

A subsidiary of the Company had also entered into a banking facility agreement with Chong Hong Bank Limited in respect of a revolving loan facility of HK\$50,000,000 (“Chong Hing Facility Agreement”) and the outstanding loan balance was HK\$50,000,000 as at 31 December 2025.

Under the Chong Hing Facility Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall at any time maintain not less than 35% of the issued share capital of the Company, and Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company.

Further, a subsidiary of the Company had entered into a banking facility agreement with China Construction Bank Corporation Limited, Hong Kong Branch in respect of a revolving loan facility of HK\$200,000,000 (“CCB Facility Agreement”), and the outstanding loan balance was HK\$50,000,000 as at 31 December 2025.

Under the CCB Facility Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall collectively maintain holding of not less than 35% of the issued share capital of the Company, and remain as the largest shareholder with controlling power in the Company.

A subsidiary of the Company had also entered into a banking facility agreement with DBS Bank (Hong Kong) Limited, in respect of a term loan facility (“DBS Facility Agreement”) of HK\$400,000,000 with the final repayment date, with respect to each drawdown, falling three years from the date of such drawdown and the outstanding loan balance was HK\$400,000,000 as at 31 December 2025.

The following specific performance obligations are imposed on Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, being the controlling shareholders of the Company under the DBS Facility Agreement:

- (i) Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall maintain not less than 35% of the issued share capital of the Company;
- (ii) Mr. Zhang Hwo Jie shall remain as the Chairman of the board of directors of the Company; and
- (iii) Mr. Zhang Yaohua shall remain as an executive director of the Company.

# REPORT OF THE DIRECTORS

Another subsidiary of the Company had entered into two banking facility agreements with United Overseas Bank Limited, in respect of the following facilities (“UOB Facility Agreements”):

- (i) a term loan facility of up to HK\$230,000,000 with the final repayment date falling three years from the first drawdown date of the loan (the outstanding loan balance was HK\$195,500,000 as at 31 December 2025); and
- (ii) a revolving commercial loan facility, an import invoice finance line and a bills of exchange line, in the aggregate principal amount of up to HKD70,000,000 (there was no outstanding balance as at 31 December 2025).

Under the UOB Facility Agreements, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall maintain not less than 35% of the issued share capital of the Company, and Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company.

A subsidiary of the Company had also entered into a banking facility agreement with Luso International Banking Limited, in respect of a term loan facility (“Luso Loan Facility Agreement”) of HK\$150,000,000 for 24 months from the date of drawdown and the outstanding loan balance was HK\$127,500,000 as at 31 December 2025.

Under the Luso Loan Facility Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall maintain not less than 35% of the issued share capital of the Company.

A subsidiary of the Company had entered into a banking facility agreement with Dah Sing Bank Limited, in respect of the following facilities (“Dah Sing Facility Agreement”)

- (i) a term loan facility of HK\$100,000,000 with the final repayment date falling three years from the date of each drawdown (the outstanding loan balance was HK\$83,500,000 as at 31 December 2025); and
- (ii) another term loan facility of HK\$120,000,000 with the final repayment date falling three years from the date of each drawdown (the outstanding loan balance was HK\$100,200,000 as at 30 June 2025).

# REPORT OF THE DIRECTORS

Under the Dah Sing Facility Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua, together with Mr. Zhang Jian Hua, shall maintain not less than 35% of the issued share capital of the Company, and Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company and Mr Zhang Yaohua shall remain as an executive director of the Company.

In January 2026, another subsidiary of the Company had entered into a banking facility agreement with The Bank of East Asia, Limited, in respect of a term loan facility (“BEA Facility Agreement”) of HK\$300,000,000 with the final maturity date falling three years from the date of the last drawdown.

Under the BEA Facility Agreement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua shall maintain at least 35% of the issued share capital of the Company, and Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company and Mr Zhang Yaohua shall remain as an executive director of the Company.

A breach of any of the aforesaid obligations will constitute an event of default under the relevant facilities agreements which may result in, inter alia, the cancellation of all or any part of the commitments under the relevant facilities agreements and all borrowed amounts outstanding becoming immediately due and payable.

## SHARE OPTIONS

### (a) 2015 Share Option Scheme

The Company has adopted a share option scheme which became effective on 21 May 2015 (the “2015 Share Option Scheme”). The 2015 Share Option Scheme was effective for a period of 10 years commencing on 21 May 2015. The 2015 Share Option Scheme was, however, terminated on 18 May 2023. Upon such termination, no further share options may be granted under the 2015 Share Option Scheme, but in all other respects, the provisions of the 2015 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the terms of the 2015 Share Option Scheme and share options granted under the 2015 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2015 Share Option Scheme.

# REPORT OF THE DIRECTORS

Options to subscribe for up to 103,701,180 shares remained ungranted under the 2015 Share Option Scheme as at 1 January 2023. As a result of the termination of the 2015 Share Option Scheme, these share options will not be granted. During the year ended 31 December 2025, movement in the share options granted under the 2015 Share Option Scheme and details of these options as at 31 December 2025 and the date of this report are as follows:

|                              | <b>As at 1 January<br/>2025,<br/>31 December<br/>2025 and the<br/>date of this<br/>report</b> | <b>Share price<br/>immediately<br/>before<br/>offer date</b> | <b>Exercise<br/>price</b> | <b>Vesting<br/>date</b> | <b>Exercisable period</b>        |
|------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------|-------------------------|----------------------------------|
|                              |                                                                                               | HK\$                                                         | HK\$                      |                         |                                  |
| <b>Executive directors</b>   |                                                                                               |                                                              |                           |                         |                                  |
| Mr. Zhang Hwo Jie            |                                                                                               |                                                              |                           |                         |                                  |
| – Granted on 3 November 2021 | 1,700,000                                                                                     | 1.88                                                         | 1.80                      | 2 May 2023              | 2 May 2023 to<br>4 November 2027 |
| Mr. Zhang Jian Hua (Note 1)  |                                                                                               |                                                              |                           |                         |                                  |
| – Granted on 3 November 2021 | 1,700,000                                                                                     | 1.88                                                         | 1.80                      | 2 May 2023              | 2 May 2023 to<br>4 November 2027 |
| Mr. Zhang Yaohua             |                                                                                               |                                                              |                           |                         |                                  |
| – Granted on 3 November 2021 | 1,700,000                                                                                     | 1.88                                                         | 1.80                      | 2 May 2023              | 2 May 2023 to<br>4 November 2027 |
| Ms. Zhang Yan Yi             |                                                                                               |                                                              |                           |                         |                                  |
| – Granted on 3 November 2021 | 400,000                                                                                       | 1.88                                                         | 1.80                      | 2 May 2023              | 2 May 2023 to<br>4 November 2027 |

# REPORT OF THE DIRECTORS

|                                            | As at 1 January<br>2025,<br>31 December<br>2025 and the<br>date of this<br>report | Share price<br>immediately<br>before<br>offer date | Exercise<br>price | Vesting<br>date | Exercisable period               |
|--------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------|-------------------|-----------------|----------------------------------|
|                                            |                                                                                   | HK\$                                               | HK\$              |                 |                                  |
| <b>Independent non-executive directors</b> |                                                                                   |                                                    |                   |                 |                                  |
| Mr. Lam Hiu Lo                             |                                                                                   |                                                    |                   |                 |                                  |
| – Granted on 3 November 2021               | 400,000                                                                           | 1.88                                               | 1.80              | 2 May 2023      | 2 May 2023 to<br>4 November 2027 |
| Dr. Chai Ngai Chiu Sunny                   |                                                                                   |                                                    |                   |                 |                                  |
| – Granted on 3 November 2021               | 400,000                                                                           | 1.88                                               | 1.80              | 2 May 2023      | 2 May 2023 to<br>4 November 2027 |
| Ms. Ling Kit Sum                           |                                                                                   |                                                    |                   |                 |                                  |
| – Granted on 3 November 2021               | 400,000                                                                           | 1.88                                               | 1.80              | 2 May 2023      | 2 May 2023 to<br>4 November 2027 |
| <b>Employees of the Group</b>              |                                                                                   |                                                    |                   |                 |                                  |
| Mr. Zhang Hanming (Note 2)                 |                                                                                   |                                                    |                   |                 |                                  |
| – Granted on 3 November 2021               | 400,000                                                                           | 1.88                                               | 1.80              | 2 May 2023      | 2 May 2023 to<br>4 November 2027 |
| Ms. Zhang Quian Yi (Note 3)                |                                                                                   |                                                    |                   |                 |                                  |
| – Granted on 3 November 2021               | 400,000                                                                           | 1.88                                               | 1.80              | 2 May 2023      | 2 May 2023 to<br>4 November 2027 |
| <b>Other employees of the Group</b>        |                                                                                   |                                                    |                   |                 |                                  |
| – Granted on 3 November 2021               | 11,700,000                                                                        | 1.88                                               | 1.80              | 2 May 2023      | 2 May 2023 to<br>4 November 2027 |
|                                            | <u>19,200,000</u>                                                                 |                                                    |                   |                 |                                  |

# REPORT OF THE DIRECTORS

## Notes:

1. Mr. Zhang Jian Hua has tendered his resignation as an executive director of the Company with effect from 27 August 2025. Accordingly, Mr. Zhang Jian Hua ceased to be an executive director of the Company on 27 August 2025.

The 1,700,000 options granted to Mr. Zhang Jian Hua on 3 November 2021 should have been lapsed upon his cessation as an executive director on 27 August 2025. To express the sincere gratitude of the board of directors of the Company to Mr. Zhang Jian Hua for his valuable efforts and contributions to the Group as an executive director of the Company and the vice chairman of the board for the past years, the board of directors of the Company had on 27 August 2025 exercised its discretion under the 2015 Share Option Scheme to decide that such options should not lapse and Mr. Zhang Jian Hua be allowed to exercise such options during the relevant exercise period. Such decision had also been approved by the remuneration committee of the Company.

2. Mr. Zhang Hanming is the father of three of the executive directors of the Company, namely, Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua (ceased to be an executive director on 27 August 2025) and Mr. Zhang Yaohua, and the grandfather of Ms. Zhang Yan Yi, an executive director. Mr. Zhang Hanming previously worked in the Chinese government for many years before his retirement, and is now a consultant of the Group in the areas of government regulations and communication.
3. Ms. Zhang Quian Yi is a daughter of the Chairman of the Group, the niece of two of the executives directors of the Company, Mr. Zhang Jian Hua (ceased to be an executive director on 27 August 2025) and Mr. Zhang Yaohua, and the sister of Ms. Zhang Yan Yi, an executive director of the Company. Ms. Zhang Quian Yi is responsible for the supply chain management of the Group.

The fair value of the 19,200,000 options granted on 3 November 2021 was HK\$13,587,000 as at 31 December 2025.

The fair values were calculated using the Black-Scholes valuation model and the significant inputs into the model were as follows:

|                            | <u>Vesting period</u>         | <u>Exercise price</u> | <u>Expected volatility</u> | <u>Expected life</u> | <u>Risk-free rate</u> | <u>Dividend paid-out rate</u> |
|----------------------------|-------------------------------|-----------------------|----------------------------|----------------------|-----------------------|-------------------------------|
|                            |                               | HK\$                  |                            |                      |                       |                               |
| Granted on 3 November 2021 | 3 November 2021 to 2 May 2023 | 1.80                  | 56.78%                     | 3.75 years           | 1.00%                 | 1.35%                         |

# REPORT OF THE DIRECTORS

The expected volatility is based on historic volatility adjusted for any expected change to future volatility based on publicly available information. Dividend paid-out rate is based on historical dividend paid-out rate. Changes in these subjective input assumptions could affect the fair value estimate. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

## **(b) 2023 Share Option Scheme**

On 18 May 2023, the Company resolved to terminate the 2015 Share Option Scheme and adopt a new share option scheme (the “2023 Share Option Scheme”). The 2023 Share Option Scheme became effective on 18 May 2023.

Pursuant to the terms of the 2023 Share Option Scheme, the maximum number of shares in respect of which options may be granted thereunder and any share options or share award to be granted under any other schemes of the Group shall not in aggregate exceed 174,091,980 shares, representing 10% of the Company’s issued shares as at the date of approval of the 2023 Share Option Scheme unless the Company obtains a fresh approval from its shareholders in general meeting. No share option was granted under the 2023 Share Option Scheme since its adoption. Accordingly, options to subscribe for up to 174,091,980 shares (representing approximately 10.06% of the issued share capital as at the date of this report) are available for grant under the 2023 Share Option Scheme as at 1 January 2025 and as at 31 December 2025. Options relating to 17,409,198 shares (representing approximately 1% of the issued shares as at the date of this report) to be granted to service providers under the service provider sublimit set out in the 2023 Share Option Scheme, and any share options or share award schemes of the Group as at 1 January 2025 and 31 December 2025 are available for grant.

The following is a summary of the 2023 Share Option Scheme:

### **1. Purpose of the 2023 Share Option Scheme:**

The purpose of the 2023 Share Option Scheme is to provide the eligible participants with an opportunity to obtain equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group by granting options to them as incentives or reward.

# REPORT OF THE DIRECTORS

## 2. *Participants of the 2023 Share Option Scheme:*

- a. directors and chief executive of the Company;
- b. employees (where full-time or part-time) of any member of the Group (including persons who are granted options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with any member of the Group);
- c. service provider(s), being any persons who provide services to a member of the Group relating to the Group's business of precision manufacturing services and production of moulds and components and automated assembly services for its office automation equipment business and automotive components business on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including;
  - (i) any persons who have stepped down from a directorship or employment position within the Group, but continues to provide advisory or consultancy services to the Group; and
  - (ii) any advisors, consultants and/or independent contractors providing advisory services, consultancy and/or other professional services to the Group (such as specific-industry advice on the Group's business and technical, financial or corporate management and strategic advice) where the continuity and frequency of their services are akin to those of employees.

but for the avoidance of doubt, excluding (a) any placing agents and/or financial advisers providing advisory services for fundraising, mergers or acquisition, and (b) auditors, valuers and/or other professional service providers of the Group who provide assurance or are required to perform their services with impartiality and objectivity.

# REPORT OF THE DIRECTORS

**3. *Total number of shares available for issue under the 2023 Share Option Scheme and the percentage of issued shares that it represents:***

Pursuant to the terms of the 2023 Share Option Scheme, the maximum number of shares in respect of which options may be granted thereunder and any share options or share award granted under any other schemes of the Group shall not in aggregate exceed 174,091,980 shares, representing 10% of the Company's issued shares as at the date of approval of the 2023 Share Option Scheme unless the Company obtains a fresh approval from its shareholders in general meeting. Accordingly, options to subscribe for up to 174,091,980 shares (representing approximately 10.06% of the issued share capital as at the date of this report) are available for grant under the 2023 Share Option Scheme as at 31 December 2025.

**4. *Maximum entitlement of each eligible participant under the 2023 Share Option Scheme:***

The maximum number of shares which may be issued upon the exercise of all options granted to any eligible participant (including both exercised and outstanding options, but excluding any options lapsed in accordance with the terms of the 2023 Share Option Scheme) in any twelve (12) month period up to and including the date of grant must not exceed 1% of the shares in issue as at the date of grant.

**5. *Period within which the option may be exercised by a grantee under the 2023 Share Option Scheme:***

Subject to the terms of the 2023 Share Option Scheme, including terms relating to vesting period and performance targets relating to a grantee, a grantee may exercise a share option within a period of ten (10) years from the date of grant.

**6. *Vesting period of options granted under the 2023 Share Option Scheme:***

An eligible participant to whom an option is granted is required to satisfy all the conditions (including any performance target if required to be achieved) imposed by the Board before he may exercise any of his options. An option must be held by the option holder for at least twelve (12) months before the option can be exercised, except that an option which has been or may be granted to an option holder who is an employee of any member of the Group may have a shorter vesting period if determined at the discretion of the Board (or the remuneration committee of the Board where the arrangements relate to a grant of an option to an option holder who is a director or a senior manager of the Group) as falling within such circumstances set out in the 2023 Share Option Scheme.

# REPORT OF THE DIRECTORS

**7. *The amount payable on application or acceptance of the option and the period within which payments must be made:***

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant of the option. Any offer may be open for acceptance, in whole or in part, in a board lot for dealing in the Company's shares on the Stock Exchange or an integral multiple thereof. An offer is open for acceptance within 21 days from the date of offer provided that no offer shall be open for acceptance after the expiry of the scheme period or after the 2023 Share Option Scheme has been terminated.

**8. *The basis for determining the exercise price of options granted:***

The exercise price shall be determined by the Board and such price shall at least be the highest of: (i) the nominal value of the Company's shares; (ii) the closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of offer, which shall be a business day; and (iii) the average closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) business days immediately preceding the date of offer.

**9. *The remaining life of the 2023 Share Option Scheme:***

Unless terminated earlier in accordance with the terms of the 2023 Share Option Scheme, the 2023 Share Option Scheme is valid and effective for a period of ten (10) years following the date of approval by resolution of the shareholders on 18 May 2023 and will expire on 17 May 2033.

# REPORT OF THE DIRECTORS

## DISCLOSURE OF INTERESTS IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2025, the interests and/or short positions of the directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or 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 pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have taken under such provisions of the SFO), and/or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and The Stock Exchange of Hong Kong Limited were as follows:

### (i) Long position in the shares of the Company

| <u>Name of director</u>        | <u>Corporate interests</u> | <u>Personal interests</u> | <u>Interest of spouse</u> | <u>Personal interests in underlying shares held under equity derivatives</u><br>(Note 1) | <u>Total interests</u> | <u>Approximate percentage of interest in the Company as at 31 December 2025</u> |
|--------------------------------|----------------------------|---------------------------|---------------------------|------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------|
| Mr. Zhang Hwo Jie              | 673,750,000<br>(Note 2)    | 33,152,000                | –                         | 1,700,000                                                                                | 708,602,000            | 40.95%                                                                          |
| Mr. Zhang Jian Hua<br>(Note 3) | –                          | 664,000                   | –                         | 1,700,000                                                                                | 2,364,000              | 0.14%                                                                           |
| Mr. Zhang Yaohua               | 673,750,000<br>(Note 2)    | 55,164,000                | 156,000                   | 1,700,000                                                                                | 730,770,000            | 42.23%                                                                          |
| Ms. Zhang Yan Yi               | –                          | –                         | –                         | 400,000                                                                                  | 400,000                | 0.02%                                                                           |
| Mr. Lam Hiu Lo                 | –                          | –                         | –                         | 400,000                                                                                  | 400,000                | 0.02%                                                                           |
| Dr. Chai Ngai Chiu<br>Sunny    | –                          | –                         | –                         | 400,000                                                                                  | 400,000                | 0.02%                                                                           |
| Ms. Ling Kit Sum               | –                          | –                         | –                         | 400,000                                                                                  | 400,000                | 0.02%                                                                           |

# REPORT OF THE DIRECTORS

## Notes:

1. These interests represent the directors' beneficial interests in the underlying shares in respect of share options granted by the Company to the directors as beneficial owners, details of which are set out in the section headed "Share Options" above.
2. Mr. Zhang Hwo Jie and Mr. Zhang Yaohua held 52.93% and 47.07% of the entire issued capital of Prosper Empire Limited respectively, and Prosper Empire Limited was interested in 38.94% of the entire issued capital of the Company as at 31 December 2025. Under the SFO, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua are both deemed to be interested in the shares held by Prosper Empire Limited.
3. Mr. Zhang Jian Hua resigned as an executive director of the Company on 27 August 2025.

## (ii) Long position in the shares of Prosper Empire Limited, an associated corporation of the Company

|                   |                    | Approximate<br>percentage of<br>interest in Prosper<br>Empire Limited as at<br>31 December 2025 |
|-------------------|--------------------|-------------------------------------------------------------------------------------------------|
| Name of director  | Capacity           |                                                                                                 |
| Mr. Zhang Hwo Jie | Personal interests | 52.93%                                                                                          |
| Mr. Zhang Yaohua  | Personal interests | 47.07%                                                                                          |

# REPORT OF THE DIRECTORS

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the interests or short positions of the persons (other than a director or chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register of interests kept by the Company under section 336 of the SFO were as follows:

| <u>Name</u>            | <u>Capacity</u>             | <u>Number of<br/>shares</u> | <u>Number of<br/>underlying<br/>shares held<br/>under equity<br/>derivatives</u> | <u>Total interests</u> | <u>Approximate<br/>percentage<br/>of interest</u> |
|------------------------|-----------------------------|-----------------------------|----------------------------------------------------------------------------------|------------------------|---------------------------------------------------|
| Prosper Empire Limited | Beneficial owner            | 673,750,000                 | –                                                                                | 673,750,000            | 38.94%                                            |
| Ms. Shen Chan Jie Lin  | Interest of spouse (Note 1) | 706,902,000                 | 1,700,000                                                                        | 708,602,000            | 40.95%                                            |
| Ms. Jiang Lu           | Beneficial owner            | 156,000                     | –                                                                                | 156,000                | 0.01%                                             |
|                        | Interest of spouse (Note 2) | 728,914,000                 | 1,700,000                                                                        | 730,614,000            | 42.22%                                            |

Notes:

1. Under the SFO, Ms. Shen Chan Jie Lin is deemed to be interested in the shares held by Mr. Zhang Hwo Jie, who is interested in 52.93% of the issued share capital of Prosper Empire Limited. The interests disclosed by Ms. Shen Chan Jie Lin included the 673,750,000 shares of the Company held by Prosper Empire Limited.
2. Under the SFO, Ms. Jiang Lu is deemed to be interested in the shares held by Mr. Zhang Yaohua, who is interested in 47.07% of the issued share capital of Prosper Empire Limited. The interests disclosed by Ms. Jiang Lu included the 673,750,000 shares of the Company held by Prosper Empire Limited.

# REPORT OF THE DIRECTORS

## PURCHASES, SALE AND REDEMPTION OF THE SHARES

During the year ended 31 December 2025, the Company repurchased its 10,482,000 listed shares on The Stock Exchange of Hong Kong Limited. These shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. Details of the repurchases during the year ended 31 December 2025 are summarised as follows.

| <b>Months of repurchase</b> | <b>Number of shares repurchased</b> | <b>Highest price per share</b> | <b>Lowest price per share</b> | <b>Total consideration paid</b> |
|-----------------------------|-------------------------------------|--------------------------------|-------------------------------|---------------------------------|
|                             |                                     | HK\$                           | HK\$                          | HK\$'000                        |
| April 2025                  | 10,482,000                          | 0.80                           | 0.69                          | 7,965                           |

The directors considered that the repurchases were made for the benefit of the shareholders as a whole as they uplifted the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2025.

## PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands where the Company is incorporated.

## CLOSURE OF REGISTER OF MEMBERS

To determine which shareholders will be eligible to attend and vote at the forthcoming annual general meeting to be held on Tuesday, 19 May 2026, the register of members of the Company will be closed from Wednesday, 13 May 2026 to Tuesday, 19 May 2026, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 19 May 2026 are entitled to attend and vote at the annual general meeting. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 12 May 2026.

# REPORT OF THE DIRECTORS

Subject to the shareholders' approval of the recommended final dividend at the annual general meeting of the Company, the final dividend will be payable on Friday, 12 June 2026 to shareholders whose names appear on the register of members on Thursday, 28 May 2026. To determine eligibility for the final dividend, the register of members of the Company will be closed from Saturday, 23 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no share transfer will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

## CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on page 109 to page 137.

## CHANGE OF DIRECTORS' INFORMATION

During year ended 31 December 2025 and up to the date of this report, there were changes in the directors' information as follows:

1. Ms. Ling Kit Sum, an independent non-executive director of the Company, was appointed as a member of the nomination committee of the Company on 28 March 2025.
2. Mr. Zhang Jian Hua resigned as an executive director of the Company and the vice chairman of the board of directors of the Company on 27 August 2025.
3. Ms. Ling Kit Sum resigned as an independent non-executive director of Arta TechFin Corporation Limited on 23 December 2025.
4. Dr. Chai Ngai Chiu Sunny was appointed as the deputy chairman of the Council and Court of Hong Kong Baptist University on 1 January 2026.

# REPORT OF THE DIRECTORS

## AUDIT COMMITTEE

The Company has set up an audit committee, in accordance with the requirements of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules, for the purpose of reviewing the financial reporting process, risk management, internal control system and corporate governance matters of the Group. The audit committee comprises the three independent non-executive directors, namely, Ms. Ling Kit Sum, Mr. Lam Hiu Lo and Dr. Chai Ngai Chiu Sunny, with Ms. Ling Kit Sum as the chairman. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control, corporate governance and financial reporting matters with management including a review of the audited consolidated financial statements for the year ended 31 December 2025.

## SUFFICIENCY OF PUBLIC FLOAT

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

## AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

By order of the Board

**Zhang Hwo Jie**

*Chairman*

Hong Kong, 30 March 2026

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EVA Precision Industrial Holdings Limited  
(incorporated in the Cayman Islands with limited liability)

## OPINION

### What we have audited

The consolidated financial statements of EVA Precision Industrial Holdings Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 166 to 265, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS

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 these matters.

The key audit matter identified in our audit is related to risk of revenue recognition on sales of moulds and components.

| Key Audit Matter                                                                                                                                                                                                                         | How our audit addressed the Key Audit Matter                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk of revenue recognition on sales of moulds and components</b>                                                                                                                                                                     | We understood, evaluated and validated management's key internal controls in its revenue recognition process.                                                                                              |
| Refer to note 5 to the consolidated financial statements.                                                                                                                                                                                | We performed analysis on revenue by comparing the actual result of the current year with that of the prior year.                                                                                           |
| The Group recognised revenue of HK\$6,027 million for the year ended 31 December 2025.                                                                                                                                                   | We tested samples of sales transactions against purchase orders and other shipping supporting documents where relevant.                                                                                    |
| We focused on revenue recognition due to its magnitude. Proper control is essential to ensure that sales are recognised in the correct period and for the correct amount. Therefore, it required significant time and resource to audit. | We tested samples of journal entries posted to revenue accounts on risk-based criteria and inspected the relevant supporting documents, consistent with the Group's revenue recognition accounting policy. |
|                                                                                                                                                                                                                                          | Based on the procedures performed above, we considered that the Group's sales transactions being tested were recognised in a manner consistent with the Group's revenue recognition accounting policy.     |

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of 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 THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

# INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, 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 WONG, Wai Bong, Benson (practising certificate number: P04878).

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 30 March 2026

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

|                                                                      | Note | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                                                        |      |                  |                  |
| <b>Non-current assets</b>                                            |      |                  |                  |
| Property, plant and equipment                                        | 6    | 2,925,341        | 2,680,862        |
| Right-of-use assets                                                  | 7    | 336,202          | 334,567          |
| Intangible assets                                                    | 8    | 2,799            | 3,088            |
| Investments in associates                                            | 10   | 25,017           | 21,051           |
| Prepayments, deposits and other receivables                          | 13   | 25,503           | 103,685          |
| Financial assets at fair value through<br>other comprehensive income | 14   | 9,230            | 15,132           |
| Deferred income tax assets                                           | 21   | 4,459            | 4,271            |
|                                                                      |      | <b>3,328,551</b> | 3,162,656        |
| <b>Current assets</b>                                                |      |                  |                  |
| Inventories                                                          | 11   | 800,285          | 639,885          |
| Trade and bills receivables                                          | 12   | 1,764,663        | 1,794,336        |
| Prepayments, deposits and other receivables                          | 13   | 93,597           | 65,339           |
| Restricted bank deposits                                             | 15   | 96,348           | 73,534           |
| Cash and cash equivalents                                            | 15   | 1,597,431        | 1,738,949        |
| Asset classified as held for sale                                    | 16   | 18,850           | —                |
|                                                                      |      | <b>4,371,174</b> | 4,312,043        |
| <b>LIABILITIES</b>                                                   |      |                  |                  |
| <b>Current liabilities</b>                                           |      |                  |                  |
| Trade payables                                                       | 17   | 1,530,832        | 1,509,715        |
| Contract liabilities                                                 | 18   | 166,182          | 132,241          |
| Accruals and other payables                                          | 19   | 340,297          | 271,245          |
| Bank borrowings                                                      | 20   | 1,112,425        | 847,599          |
| Lease liabilities                                                    | 7    | 27,791           | 20,741           |
| Current income tax liabilities                                       |      | 43,222           | 30,097           |
| Liability classified as held for sale                                | 16   | 2,344            | —                |
|                                                                      |      | <b>3,223,093</b> | 2,811,638        |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

|                                              | Note | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------------------|------|------------------|------------------|
| <b>Net current assets</b>                    |      | <b>1,148,081</b> | 1,500,405        |
| <b>Total assets less current liabilities</b> |      | <b>4,476,632</b> | 4,663,061        |
| <b>LIABILITIES</b>                           |      |                  |                  |
| <b>Non-current liabilities</b>               |      |                  |                  |
| Bank borrowings                              | 20   | <b>1,051,387</b> | 1,436,900        |
| Lease liabilities                            | 7    | <b>72,456</b>    | 63,014           |
| Deferred income tax liabilities              | 21   | <b>18,016</b>    | 21,226           |
|                                              |      | <b>1,141,859</b> | 1,521,140        |
| <b>Net assets</b>                            |      | <b>3,334,773</b> | 3,141,921        |
| <b>EQUITY</b>                                |      |                  |                  |
| <b>Capital and reserves</b>                  |      |                  |                  |
| Share capital                                | 22   | <b>173,044</b>   | 174,092          |
| Reserves                                     | 23   | <b>3,161,729</b> | 2,967,829        |
| <b>Total equity</b>                          |      | <b>3,334,773</b> | 3,141,921        |

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 166 to 265 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf.

**Zhang Hwo Jie**  
Chairman

**Zhang Yaohua**  
Director

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                                                                | Note | 2025<br>HK\$'000   | 2024<br>HK\$'000 |
|------------------------------------------------------------------------------------------------|------|--------------------|------------------|
| <b>Revenue</b>                                                                                 | 5    | <b>6,027,820</b>   | 6,296,926        |
| Cost of sales                                                                                  | 25   | <b>(4,681,242)</b> | (4,921,294)      |
| <b>Gross profit</b>                                                                            |      | <b>1,346,578</b>   | 1,375,632        |
| Other income                                                                                   | 24   | <b>39,001</b>      | 42,206           |
| Other losses – net                                                                             | 24   | <b>(708)</b>       | (27,333)         |
| Selling and marketing costs                                                                    | 25   | <b>(297,394)</b>   | (318,983)        |
| General and administrative expenses                                                            | 25   | <b>(723,715)</b>   | (692,696)        |
| Impairment loss on property, plant and equipment                                               |      | <b>–</b>           | (6,137)          |
| <b>Operating profit</b>                                                                        |      | <b>363,762</b>     | 372,689          |
| Finance income                                                                                 | 27   | <b>26,161</b>      | 32,429           |
| Finance costs                                                                                  | 27   | <b>(100,629)</b>   | (121,139)        |
| Share of profit/(loss) of associates                                                           | 10   | <b>2,404</b>       | (7,593)          |
| <b>Profit before income tax</b>                                                                |      | <b>291,698</b>     | 276,386          |
| Income tax expense                                                                             | 28   | <b>(47,071)</b>    | (32,879)         |
| <b>Profit for the year</b>                                                                     |      | <b>244,627</b>     | 243,507          |
| Other comprehensive income/(loss) for the year, net of tax                                     |      |                    |                  |
| Item that may be reclassified to profit or loss                                                |      |                    |                  |
| – Currency translation differences                                                             |      | <b>37,019</b>      | (34,582)         |
| Item that will not be reclassified to profit or loss                                           |      |                    |                  |
| – Revaluation (loss)/gain on financial assets at fair value through other comprehensive income |      | <b>(5,902)</b>     | 8,190            |
| <b>Total comprehensive income for the year</b>                                                 |      | <b>275,744</b>     | 217,115          |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                                                                                                      | Note | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| Profit for the year attributable to equity holders of the Company                                                                    |      | <b>244,627</b>   | 243,507          |
| Total comprehensive income for the year attributable to equity holders of the Company                                                |      | <b>275,744</b>   | 217,115          |
| <b>Earnings per share for profit attributable to equity holders of the Company during the year (expressed in HK cents per share)</b> |      |                  |                  |
| – basic                                                                                                                              | 29   | <b>14.1</b>      | 14.0             |
| – diluted                                                                                                                            | 29   | <b>14.1</b>      | 14.0             |

The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                                                       | Note | Attributable to equity holders of the Company |                      |                   |
|---------------------------------------------------------------------------------------|------|-----------------------------------------------|----------------------|-------------------|
|                                                                                       |      | Share capital<br>HK\$'000                     | Reserves<br>HK\$'000 | Total<br>HK\$'000 |
| Balance at 1 January 2025                                                             |      | <u>174,092</u>                                | <u>2,967,829</u>     | <u>3,141,921</u>  |
| Comprehensive income                                                                  |      |                                               |                      |                   |
| Profit for the year                                                                   |      | <u>-</u>                                      | <u>244,627</u>       | <u>244,627</u>    |
| Other comprehensive (loss)/income                                                     |      |                                               |                      |                   |
| Revaluation loss on financial assets at fair value through other comprehensive income |      | <u>-</u>                                      | <u>(5,902)</u>       | <u>(5,902)</u>    |
| Currency translation differences                                                      |      | <u>-</u>                                      | <u>37,019</u>        | <u>37,019</u>     |
| Total comprehensive income for the year                                               |      | <u>-</u>                                      | <u>275,744</u>       | <u>275,744</u>    |
| Transactions with owners                                                              |      |                                               |                      |                   |
| Dividends paid                                                                        |      | <u>-</u>                                      | <u>(74,927)</u>      | <u>(74,927)</u>   |
| Repurchase of share                                                                   |      | <u>(1,048)</u>                                | <u>(6,917)</u>       | <u>(7,965)</u>    |
|                                                                                       |      | <u>(1,048)</u>                                | <u>(81,844)</u>      | <u>(82,892)</u>   |
| Balance at 31 December 2025                                                           |      | <u>173,044</u>                                | <u>3,161,729</u>     | <u>3,334,773</u>  |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

| Note                                                                                   | Attributable to equity holders of the Company |                      | Total            |
|----------------------------------------------------------------------------------------|-----------------------------------------------|----------------------|------------------|
|                                                                                        | Share capital<br>HK\$'000                     | Reserves<br>HK\$'000 | HK\$'000         |
| Balance at 1 January 2024                                                              | <u>174,092</u>                                | <u>2,823,622</u>     | <u>2,997,714</u> |
| Comprehensive income                                                                   |                                               |                      |                  |
| Profit for the year                                                                    | <u>—</u>                                      | <u>243,507</u>       | <u>243,507</u>   |
| Other comprehensive income/(loss)                                                      |                                               |                      |                  |
| Revaluation gains on financial assets at fair value through other comprehensive income | <u>—</u>                                      | <u>8,190</u>         | <u>8,190</u>     |
| Currency translation differences                                                       | <u>—</u>                                      | <u>(34,582)</u>      | <u>(34,582)</u>  |
| Total comprehensive income for the year                                                | <u>—</u>                                      | <u>217,115</u>       | <u>217,115</u>   |
| Transactions with owners                                                               |                                               |                      |                  |
| Dividends paid                                                                         | <u>—</u>                                      | <u>(72,908)</u>      | <u>(72,908)</u>  |
|                                                                                        | <u>—</u>                                      | <u>(72,908)</u>      | <u>(72,908)</u>  |
| Balance at 31 December 2024                                                            | <u>174,092</u>                                | <u>2,967,829</u>     | <u>3,141,921</u> |

The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                                                                | Note | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------------------------------------------------------------------------|------|------------------|------------------|
| <b>Cash flows from operating activities</b>                                                    |      |                  |                  |
| Cash generated from operations                                                                 | 31   | <b>707,034</b>   | 862,394          |
| Interest received                                                                              |      | <b>26,161</b>    | 32,429           |
| Interest paid                                                                                  |      | <b>(99,572)</b>  | (147,087)        |
| Income tax paid                                                                                |      | <b>(35,000)</b>  | (33,958)         |
| Net cash inflow from operating activities                                                      |      | <b>598,623</b>   | 713,778          |
| <b>Cash flows from investing activities</b>                                                    |      |                  |                  |
| Purchases of property, plant and equipment                                                     |      | <b>(507,121)</b> | (330,107)        |
| Proceeds from disposal of property, plant and equipment                                        | 31   | <b>12,336</b>    | 4,337            |
| Proceeds from redemption of a financial asset at fair value through other comprehensive income |      | <b>–</b>         | 5,012            |
| Investment in an associate                                                                     |      | <b>(802)</b>     | –                |
| (Increase)/decrease in restricted bank deposits                                                |      | <b>(22,814)</b>  | 30,914           |
| Net cash outflow from investing activities                                                     |      | <b>(518,401)</b> | (289,844)        |

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                      | Note | 2025<br>HK\$'000   | 2024<br>HK\$'000 |
|------------------------------------------------------|------|--------------------|------------------|
| <b>Cash flows from financing activities</b>          |      |                    |                  |
| Proceeds from borrowings                             | 31   | <b>1,758,214</b>   | 1,483,104        |
| Repayments of borrowings                             | 31   | <b>(1,883,644)</b> | (1,668,747)      |
| Repayments of principal element of lease payments    | 31   | <b>(22,164)</b>    | (20,280)         |
| Repayments of interest element of lease payments     | 31   | <b>(4,510)</b>     | (4,153)          |
| Repurchase of shares                                 |      | <b>(7,965)</b>     | –                |
| Dividends paid                                       | 23   | <b>(74,927)</b>    | (72,908)         |
| Net cash outflow from financing activities           |      | <b>(234,996)</b>   | (282,984)        |
| Net (decrease)/increase in cash and cash equivalents |      | <b>(154,774)</b>   | 140,950          |
| Cash and cash equivalents at beginning of the year   |      | <b>1,738,949</b>   | 1,610,592        |
| Exchange gains/(losses) on cash and cash equivalents |      | <b>13,256</b>      | (12,593)         |
| Cash and cash equivalents at end of the year         | 15   | <b>1,597,431</b>   | 1,738,949        |

The accompanying notes are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

EVA Precision Industrial Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the provision of precision manufacturing services, focusing on the production of moulds and components with high quality standard and dimensional accuracy.

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 11 May 2005.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

## 2 BASIS OF PREPARATION

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

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards and the disclosure requirements of the Hong Kong Company Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income (“FVOCI”) which are carried at fair values.

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 judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

### (a) Amendments to existing standards adopted by the Group

The following amendments to existing standards are mandatory for the first time for the financial year beginning 1 January 2025:

|                                   |                         |
|-----------------------------------|-------------------------|
| Amendments to HKAS 21 and HKFRS 1 | Lack of Exchangeability |
|-----------------------------------|-------------------------|

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 BASIS OF PREPARATION (CONTINUED)

### (a) Amendments to existing standards adopted by the Group (Continued)

The adoption of these amendments to existing standards did not result in any substantial change to the Group's accounting policies. The amendments to existing standards listed above had no material impact on the consolidated financial statements.

The Group has not applied any amendments to existing standards that is not yet effective for the current accounting period.

### (b) New standards, amendments to existing standards and interpretation that have been issued and are relevant to the Group but not effective for the financial year beginning 1 January 2025 and have not been early adopted

|                                                              |                                                                                                                                 | Effective for annual periods beginning on or after |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Amendments to HKFRS 9 and HKFRS 7                            | Amendments to the Classification and Measurement of Financial Instruments                                                       | 1 January 2026                                     |
| Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 | Annual improvements to HKFRS Accounting Standards – Volume 11                                                                   | 1 January 2026                                     |
| Amendments to HKFRS 9 and HKFRS 7                            | Contracts Referencing Nature dependent Electricity (amendments)                                                                 | 1 January 2026                                     |
| HKFRS 18                                                     | Presentation and Disclosure in Financial Statements                                                                             | 1 January 2027                                     |
| HKFRS 19                                                     | Subsidiaries without Public Accountability: Disclosures                                                                         | 1 January 2027                                     |
| HK Interpretation 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                                   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2 BASIS OF PREPARATION (CONTINUED)

**(b) New standards, amendments to existing standards and interpretation that have been issued and are relevant to the Group but not effective for the financial year beginning 1 January 2025 and have not been early adopted**  
(Continued)

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

HKFRS 18, and the related amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated income statement and disclosures in the future consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group mainly operates in Chinese Mainland and Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Chinese Renminbi ("RMB"), Japanese Yen, Euro, Mexican Peso ("MXN"), Vietnam Dong and the United States Dollars ("US\$"). Foreign exchange risk also arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group manages its foreign exchange risks by performing regular reviews and the Group has not arranged any hedges against foreign exchange exposures.

The following table details the sensitivity of the Group's pre-tax profit to a strengthening/weakening of the major currencies to which its net assets are exposed. The percentage movement applied to the currency is based on the average movements in the previous year. The analysis has been performed based on the movement occurring at the start of the year.

|                                                              | <b>2025<br/>HK\$'000</b> |
|--------------------------------------------------------------|--------------------------|
| Chinese Renminbi 4.6% appreciation against Hong Kong dollars | <b>4,629</b>             |
| Japanese Yen 0.6% appreciation against Hong Kong dollars     | <b>11</b>                |
| Euro 13.7% appreciation against Hong Kong dollars            | <b>3,299</b>             |
| Mexican Peso 15.9% appreciation against Hong Kong dollars    | <b>(2,836)</b>           |
| Vietnam Dong 1.6% depreciation against Hong Kong dollars     | <b>(268)</b>             |
| US dollars 0.2% appreciation against Hong Kong dollars       | <b>1,934</b>             |
| Increase in post-tax profit                                  | <b>6,769</b>             |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (i) Foreign exchange risk (Continued)

|                                                              | 2024<br>HK\$'000 |
|--------------------------------------------------------------|------------------|
| Chinese Renminbi 3.4% depreciation against Hong Kong dollars | (9,275)          |
| Japanese Yen 10.9% depreciation against Hong Kong dollars    | (46)             |
| Euro 6.9% depreciation against Hong Kong dollars             | 17               |
| Mexican Peso 19.3% depreciation against Hong Kong dollars    | 4,126            |
| Vietnam Dong 7.6% depreciation against Hong Kong dollars     | 909              |
| US dollars 0.4% depreciation against Hong Kong dollars       | (3,655)          |
| Decrease in post-tax profit                                  | (7,924)          |

Chinese Renminbi is currently not a freely convertible currency in the international market. The conversion of Chinese Renminbi into foreign currencies and the remittance of Chinese Renminbi out of the Chinese Mainland are subject to the rules and regulations of the foreign exchange control promulgated by the Chinese Mainland government.

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (a) *Market risk* (Continued)

##### (ii) *Cash flow and fair value interest rate risk*

The Group's exposure to changes in interest rates is mainly attributable to its bank deposits, bank borrowings and lease liabilities. Bank deposits and bank borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Bank borrowings and lease liabilities obtained at fixed rates expose the Group to fair value interest rate risk.

Details of the Group's bank deposits, bank borrowings and lease liabilities have been disclosed in Notes 15, 20 and 7 to the consolidated financial statements.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk.

At 31 December 2025, a 100 basis points (i.e. 1%) fall/rise in market interest rates for all currencies in which the Group had net borrowings, after offsetting bank deposits, would increase/decrease pre-tax profit (2024: increase/decrease pre-tax profit) by approximately HK\$5,663,000 (2024: HK\$6,724,000), mainly as a result of lower/higher interest expense on floating rate borrowings.

#### (b) *Credit risk*

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, restricted bank deposits, trade receivables, deposits and other receivables. The carrying amounts of these asset categories represent the Group's maximum exposure to credit risk in relation to financial assets. Credit risk is monitored on an ongoing basis with reference to the financial position of the debtors, past experience and other factors.

As at 31 December 2024 and 2025, all the bank balances are deposited in major reputable financial institutions, and in the opinion of management, without significant credit risk. Management does not expect any losses from non-performance by these banks.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

For trade receivables, the Group performs credit evaluations of its customers. The credit period of the majority of the Group's trade receivables is generally between 30 to 180 days.

The Group considers its maximum exposure to credit risk to be as follows:

|                                | <b>2025</b>      | 2024      |
|--------------------------------|------------------|-----------|
|                                | <b>HK\$'000</b>  | HK\$'000  |
| Deposits and other receivables | <b>24,927</b>    | 45,012    |
| Trade receivables              | <b>1,424,792</b> | 1,507,923 |
| Restricted bank deposits       | <b>96,348</b>    | 73,534    |
| Cash and cash equivalents      | <b>1,597,431</b> | 1,738,949 |

The majority of the Group's trade receivables is aged within the granted credit period. Refer to Note 12 for disclosure of concentrations of credit risk of trade receivables.

Credit quality of deposits and other receivables has been assessed by reference to historical information about the counterparty default rates. The existing counterparties have not defaulted to the Group in the past.

#### (i) Impairment of financial assets

The Group has trade receivables and deposit and other receivables that are subject to the expected credit loss model. While restricted bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the shared credit risk characteristic and days past due. Expected credit losses are based on past repayment history, historical credit losses experience and available forward-looking information.

The expected loss rates are based on the repayment profiles of trade receivables over a period of 12 months before the statement of financial position date and the corresponding historical credit losses experienced within this period and available forward-looking information.

On that basis, the loss allowance as at 31 December 2025 and 31 December 2024 was determined based on past due date as follows for trade receivables:

|                             | <b>As at<br/>31 December<br/>2025<br/>Current</b> | As at<br>31 December<br>2024<br>Current |
|-----------------------------|---------------------------------------------------|-----------------------------------------|
| Gross carrying amount       | <b>1,424,792</b>                                  | 1,507,923                               |
| Loss allowance              | <b>(1,188)</b>                                    | (1,188)                                 |
| Lifetime expected loss rate | <b>0.08%</b>                                      | 0.08%                                   |

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables are presented as loss allowance for trade receivables within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Bank borrowings with repayable on demand clause are grouped within balances due within 12 months on the assumption that the bank will exercise its discretion to request for immediate repayment. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

|                               | Less than<br>1 year<br>or on<br>demand<br>HK\$'000 | Between<br>1 and 2<br>years<br>HK\$'000 | Between<br>2 and 5<br>years<br>HK\$'000 | Over 5<br>years<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------|-------------------|
| <b>As at 31 December 2025</b> |                                                    |                                         |                                         |                             |                   |
| Bank borrowings               | 1,106,181                                          | 912,887                                 | 138,500                                 | –                           | 2,157,568         |
| Lease liabilities             | 27,791                                             | 23,477                                  | 35,450                                  | 13,529                      | 100,247           |
| Interest payables             | 70,678                                             | 30,482                                  | 7,437                                   | 614                         | 109,211           |
| Trade payables                | 1,530,832                                          | –                                       | –                                       | –                           | 1,530,832         |
| Other payables                | 161,979                                            | –                                       | –                                       | –                           | 161,979           |
|                               | <b>2,867,461</b>                                   | <b>996,846</b>                          | <b>181,387</b>                          | <b>14,143</b>               | <b>4,059,837</b>  |
| <b>As at 31 December 2024</b> |                                                    |                                         |                                         |                             |                   |
| Bank borrowings               | 846,099                                            | 1,058,800                               | 378,100                                 | –                           | 2,282,999         |
| Lease liabilities             | 20,741                                             | 16,438                                  | 25,092                                  | 21,484                      | 83,755            |
| Interest payables             | 104,680                                            | 55,381                                  | 21,276                                  | 1,403                       | 182,740           |
| Trade payables                | 1,509,715                                          | –                                       | –                                       | –                           | 1,509,715         |
| Other payables                | 93,094                                             | –                                       | –                                       | –                           | 93,094            |
|                               | <b>2,574,329</b>                                   | <b>1,130,619</b>                        | <b>424,468</b>                          | <b>22,887</b>               | <b>4,152,303</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

The table below is a maturity analysis of term loans with repayable on demand clauses based on agreed repayment schedules set out in the loan agreements. The amounts include interest payments computed using contractual rates.

|                               | Less than<br>1 year<br>HK\$'000 | Between<br>1 and 2<br>years<br>HK\$'000 | Between<br>2 and 5<br>years<br>HK\$'000 | Over 5<br>years<br>HK\$'000 | Total<br>HK\$'000 |
|-------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------|-------------------|
| <b>As at 31 December 2025</b> |                                 |                                         |                                         |                             |                   |
| Bank borrowings               | 1,106,181                       | 912,887                                 | 138,500                                 | –                           | 2,157,568         |
| Lease liabilities             | 27,791                          | 23,477                                  | 35,450                                  | 13,529                      | 100,247           |
| Interest payables             | 70,678                          | 30,482                                  | 7,437                                   | 614                         | 109,211           |
| Trade payables                | 1,530,832                       | –                                       | –                                       | –                           | 1,530,832         |
| Other payables                | 161,979                         | –                                       | –                                       | –                           | 161,979           |
|                               | <b>2,897,461</b>                | <b>966,846</b>                          | <b>181,387</b>                          | <b>14,143</b>               | <b>4,059,837</b>  |
| <b>As at 31 December 2024</b> |                                 |                                         |                                         |                             |                   |
| Bank borrowings               | 838,145                         | 1,066,754                               | 378,100                                 | –                           | 2,282,999         |
| Lease liabilities             | 20,741                          | 16,438                                  | 25,092                                  | 21,484                      | 83,755            |
| Interest payables             | 104,680                         | 55,381                                  | 21,276                                  | 1,403                       | 182,740           |
| Trade payables                | 1,509,715                       | –                                       | –                                       | –                           | 1,509,715         |
| Other payables                | 93,094                          | –                                       | –                                       | –                           | 93,094            |
|                               | <b>2,566,375</b>                | <b>1,138,573</b>                        | <b>424,468</b>                          | <b>22,887</b>               | <b>4,152,303</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.2 Capital risk management

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

The capital structure of the Group consists of net debt, which includes the bank borrowings and lease liabilities, net of cash and cash equivalents and short-term bank deposits, and equity attributable to equity holders of the Company, comprising issued share capital, share premium, retained earnings and other reserves.

The directors of the Company review the capital structure on a regular basis by considering the cost of capital and the risks associated with each class of capital. Based on recommendation of directors, the Group will balance its overall capital structure through the level of dividends, new share issues and share buy-backs as well as repayment of existing borrowings.

In addition, consistent with others in the industry, the Group also monitors capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity.

The gearing ratios were as follows:

|                                           | <b>2025</b>        | 2024        |
|-------------------------------------------|--------------------|-------------|
|                                           | <b>HK\$'000</b>    | HK\$'000    |
| Bank borrowings (Note 20)                 | <b>2,163,812</b>   | 2,284,499   |
| Lease liabilities (Note 7)                | <b>100,247</b>     | 83,755      |
| Less: Cash and cash equivalents (Note 15) | <b>(1,597,431)</b> | (1,738,949) |
| Total net debt                            | <b>666,628</b>     | 629,305     |
| Total equity                              | <b>3,334,773</b>   | 3,141,921   |
| Gearing ratio                             | <b>20%</b>         | 20%         |

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.2 Capital risk management (Continued)

Certain entities of the Group are subject to loan covenants. For both 2025 and 2024, there is no material non-compliance with those loan covenants.

As disclosed in Note 20, the non-current portion of bank borrowings is subject to certain covenants which the relevant Group entities are required to comply with. Under the terms of the loan agreements, certain entities of the Group/the Group are required to comply with financial covenants applicable to certain bank loans, which includes current ratio, net gearing ratio, interest coverage ratio and consolidated tangible net worth that are assessed at the end of each interim and/or annual period.

Non-financial related covenants that the Group's entities must comply with are terms that commonly applicable to borrowers based on the prevalent financial market practice and assessed on the date agreed upon with the lenders.

There are no indications that the Group entities would have difficulties complying with the covenants within 12 months after the end of the reporting period.

### 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different methods of valuation have been defined as follows:

- Quoted prices (unadjusted) in active markets for similar assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the unlisted equity securities is determined based on recent arm's length transactions or valuation by an external valuer using income approach, asset-based approach or market approach and the key underlying assumptions used included revenue growth rate, profit margin, price-to-book multiple, adjusted net asset value, and marketability discount.

The following table presents the Group's assets that are measured at fair value:

|                                                        | <b>Level 3</b>  |          |
|--------------------------------------------------------|-----------------|----------|
|                                                        | <b>2025</b>     | 2024     |
|                                                        | <b>HK\$'000</b> | HK\$'000 |
| Financial assets at FVOCI – unlisted equity securities | <b>9,230</b>    | 15,132   |

There were no transfers between levels during the year.

The following table presents the changes in level 3 instruments for the years ended 31 December 2025 and 2024.

|                                                                      | <b>2025</b>     | 2024     |
|----------------------------------------------------------------------|-----------------|----------|
|                                                                      | <b>HK\$'000</b> | HK\$'000 |
| As at 1 January                                                      | <b>15,132</b>   | 11,954   |
| Redemption on investment                                             | –               | (5,012)  |
| Revaluation (losses)/gains transferred to other comprehensive income | <b>(5,902)</b>  | 8,190    |
| As at 31 December                                                    | <b>9,230</b>    | 15,132   |

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) Useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and consequently the related depreciation/amortisation charges for its property, plant and equipment and intangible assets. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. They could change significantly as a result of technical innovations and competitor actions in response to changes in market conditions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

### (b) Impairment of long-lived assets

The Group conducts impairment reviews of assets when events or changes in circumstances indicate that their carrying amounts may not be recoverable or annually in accordance with relevant accounting standards. An impairment loss is recognised when the carrying amount of an asset is lower than the greater of its fair value less costs to sell and value in use. In determining the value in use, management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgements are applied in determining these future cash flows and the discount rate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### (c) Impairment of trade and other receivables

The Group makes loss allowance of trade and other receivables based on the assumption about risk of expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### (d) Income taxes

The Group is subject to income taxes in Hong Kong, Chinese Mainland, Macau, Vietnam and Mexico. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (e) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost to completion and the estimated costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. Management reassesses the estimation at the end of each reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION

### (a) Revenue

|                                | <b>2025</b>             | 2024             |
|--------------------------------|-------------------------|------------------|
|                                | <b>HK\$'000</b>         | HK\$'000         |
| Sales of moulds and components | <b>5,905,133</b>        | 6,173,735        |
| Others (Note)                  | <b>122,687</b>          | 123,191          |
|                                | <b><u>6,027,820</u></b> | <u>6,296,926</u> |

The Group derives all revenue from the sales of goods at a point in time.

Note: Others mainly represent proceeds from sales of scrap materials.

#### *Accounting policy – revenue recognition – sales of goods*

The Group's sales mainly consist of mould and components. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Deposits received from customers are classified as contract liabilities and then recognised as revenue when the obligation is performed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive directors and senior management collectively. They review the Group's internal reporting in order to assess performance and allocate resources.

The Group is currently organised into three main business segments, namely, (i) Office automation equipment, (ii) Automotive components and (iii) Information and communication technology ("ICT"). The Group has strategically laid out its ICT business, having actively engaged in the high-end IT industry in earlier years. With the continuous growth of the ICT business, management has reassessed the Group's segment reporting structure. As a result, a new reportable operating segment has been identified for financial reporting purposes, as the allocation of resources, performance assessment and management decision-making for the segment are conducted separately.

The change in the Group's reportable operating segments for the year ended 31 December 2024 has been applied retrospectively. Accordingly, the comparative presentation has been restated to align with the new reporting structure, as reviewed by the Group's chief operating decision maker.

Also, investments in associates and financial assets at FVOCI are reported as un-allocated assets as at 31 December 2025 in information provided to the chief operating decision-maker as they are not directly related to the segment performance.

The chief operating decision-maker assesses the performance of the operating segment based on a measure of revenue and profit before interest and tax.

Information provided to the chief operating decision-maker is measured in a manner consistent with that in the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

The segment results and other segment items are as follows:

|                                      | 2025                              |                          |                                                   |                              |                  | 2024                           |                          |                                                   |                              |                  |
|--------------------------------------|-----------------------------------|--------------------------|---------------------------------------------------|------------------------------|------------------|--------------------------------|--------------------------|---------------------------------------------------|------------------------------|------------------|
|                                      | Office<br>automation<br>equipment | Automotive<br>components | Information<br>and<br>communication<br>technology | Inter-segment<br>elimination | Total            | Office automation<br>equipment | Automotive<br>components | Information<br>and<br>communication<br>technology | Inter-segment<br>elimination | Total            |
|                                      | HK\$'000                          | HK\$'000                 | HK\$'000                                          | HK\$'000                     | HK\$'000         | HK\$'000                       | HK\$'000                 | HK\$'000                                          | HK\$'000                     | HK\$'000         |
| Sales to external customers          | 3,502,370                         | 2,136,203                | 389,247                                           | -                            | 6,027,820        | 4,089,989                      | 1,948,342                | 258,595                                           | -                            | 6,296,926        |
| Inter-segment sales                  | 8,829                             | 141,428                  | 21,145                                            | (171,402)                    | -                | 12,786                         | 89,353                   | 9,186                                             | (111,325)                    | -                |
| Total                                | <u>3,511,199</u>                  | <u>2,277,631</u>         | <u>410,392</u>                                    | <u>(171,402)</u>             | <u>6,027,820</u> | <u>4,102,775</u>               | <u>2,037,695</u>         | <u>267,781</u>                                    | <u>(111,325)</u>             | <u>6,296,926</u> |
| Segment results                      | <u>254,982</u>                    | <u>135,260</u>           | <u>21,095</u>                                     |                              | <u>411,337</u>   | <u>307,392</u>                 | <u>93,851</u>            | <u>21,863</u>                                     |                              | <u>423,106</u>   |
| Unallocated expenses                 |                                   |                          |                                                   |                              | (47,575)         |                                |                          |                                                   |                              | (50,417)         |
| Finance income                       |                                   |                          |                                                   |                              | 26,161           |                                |                          |                                                   |                              | 32,429           |
| Finance costs                        |                                   |                          |                                                   |                              | (100,629)        |                                |                          |                                                   |                              | (121,139)        |
| Share of profit/(loss) of associates |                                   |                          |                                                   |                              | 2,404            |                                |                          |                                                   |                              | (7,593)          |
| Profit before income tax             |                                   |                          |                                                   |                              | 291,698          |                                |                          |                                                   |                              | 276,386          |
| Income tax expense                   |                                   |                          |                                                   |                              | (47,071)         |                                |                          |                                                   |                              | (32,879)         |
| Profit for the year                  |                                   |                          |                                                   |                              | <u>244,627</u>   |                                |                          |                                                   |                              | <u>243,507</u>   |
| Depreciation                         | <u>134,360</u>                    | <u>199,717</u>           | <u>13,936</u>                                     | <u>-</u>                     | <u>348,013</u>   | <u>125,414</u>                 | <u>174,295</u>           | <u>4,108</u>                                      | <u>-</u>                     | <u>303,817</u>   |
| Amortisation                         | <u>289</u>                        | <u>-</u>                 | <u>-</u>                                          | <u>-</u>                     | <u>289</u>       | <u>967</u>                     | <u>-</u>                 | <u>-</u>                                          | <u>-</u>                     | <u>967</u>       |

For the years ended 31 December 2025 and 2024, unallocated expenses represent corporate expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

The segment assets, liabilities and capital expenditure are as follows:

|                     | 2025                                          |                                      |                                                               |                          |                   | 2024                                       |                                      |                                                               |                          |                   |
|---------------------|-----------------------------------------------|--------------------------------------|---------------------------------------------------------------|--------------------------|-------------------|--------------------------------------------|--------------------------------------|---------------------------------------------------------------|--------------------------|-------------------|
|                     | Office<br>automation<br>equipment<br>HK\$'000 | Automotive<br>components<br>HK\$'000 | Information<br>and<br>communication<br>technology<br>HK\$'000 | Un-allocated<br>HK\$'000 | Total<br>HK\$'000 | Office automation<br>equipment<br>HK\$'000 | Automotive<br>components<br>HK\$'000 | Information<br>and<br>communication<br>technology<br>HK\$'000 | Un-allocated<br>HK\$'000 | Total<br>HK\$'000 |
| Assets              | <u>4,110,467</u>                              | <u>3,234,459</u>                     | <u>314,792</u>                                                | <u>40,007</u>            | <u>7,699,725</u>  | <u>4,060,556</u>                           | <u>3,148,948</u>                     | <u>221,558</u>                                                | <u>43,637</u>            | <u>7,474,699</u>  |
| Liabilities         | <u>1,019,118</u>                              | <u>869,211</u>                       | <u>246,758</u>                                                | <u>2,229,865</u>         | <u>4,364,952</u>  | <u>1,004,662</u>                           | <u>873,220</u>                       | <u>113,913</u>                                                | <u>2,340,983</u>         | <u>4,332,778</u>  |
| Capital expenditure | <u>336,154</u>                                | <u>179,102</u>                       | <u>61,800</u>                                                 | <u>-</u>                 | <u>577,056</u>    | <u>113,259</u>                             | <u>179,179</u>                       | <u>22,312</u>                                                 | <u>-</u>                 | <u>314,750</u>    |

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables, restricted bank deposits, short-term bank deposits and certain prepayments, deposits and other receivables, and cash and cash equivalents.

Segment liabilities comprise operating liabilities but exclude bank borrowings, current income tax liabilities, deferred income tax liabilities and certain accruals and other payables.

Capital expenditure comprises additions to property, plant and equipment and right-of-use assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

|                            | As at 31 December       |                         |                         |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                            | 2025                    |                         | 2024                    |                         |
|                            | Assets                  | Liabilities             | Assets                  | Liabilities             |
|                            | HK\$'000                | HK\$'000                | HK\$'000                | HK\$'000                |
| Segment assets/liabilities | <b>7,659,718</b>        | <b>2,135,087</b>        | 7,431,062               | 1,991,795               |
| Unallocated:               |                         |                         |                         |                         |
| Investments in associates  | <b>25,017</b>           | –                       | 21,051                  | –                       |
| Financial assets at FVOCI  | <b>9,230</b>            | –                       | 15,132                  | –                       |
| Cash and cash equivalents  | <b>641</b>              | –                       | 1,220                   | –                       |
| Deferred income            |                         |                         |                         |                         |
| tax assets                 | <b>4,460</b>            | –                       | 4,271                   | –                       |
| Prepayments, deposits      |                         |                         |                         |                         |
| and other receivables      | <b>659</b>              | –                       | 1,963                   | –                       |
| Current income             |                         |                         |                         |                         |
| tax liabilities            | –                       | <b>43,222</b>           | –                       | 30,097                  |
| Deferred income            |                         |                         |                         |                         |
| tax liabilities            | –                       | <b>18,016</b>           | –                       | 21,226                  |
| Bank borrowings            | –                       | <b>2,163,812</b>        | –                       | 2,284,499               |
| Accruals and               |                         |                         |                         |                         |
| other payables             | –                       | <b>4,815</b>            | –                       | 5,161                   |
| Total                      | <b><u>7,699,725</u></b> | <b><u>4,364,952</u></b> | <b><u>7,474,699</u></b> | <b><u>4,332,778</u></b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (b) Segment information (Continued)

An analysis of the Group's one major customer (2024: two major customers), which accounts for 10% or more of the Group's external revenue, is as follows:

|            | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------|------------------|------------------|
| Customer A | 1,755,006        | 2,186,462        |
| Customer B | 515,878          | 631,304          |

Revenue from external customers, based on the destination of the shipment, and assets by geographical region are as follows:

|                                  | 2025                                                     |                     |                    |                   | 2024                                                     |                     |                    |                   |
|----------------------------------|----------------------------------------------------------|---------------------|--------------------|-------------------|----------------------------------------------------------|---------------------|--------------------|-------------------|
|                                  | The People's<br>Republic of<br>China ("PRC")<br>HK\$'000 | Vietnam<br>HK\$'000 | Mexico<br>HK\$'000 | Total<br>HK\$'000 | The People's<br>Republic of<br>China ("PRC")<br>HK\$'000 | Vietnam<br>HK\$'000 | Mexico<br>HK\$'000 | Total<br>HK\$'000 |
| Revenue                          | <u>4,472,992</u>                                         | <u>856,189</u>      | <u>698,639</u>     | <u>6,027,820</u>  | <u>4,571,324</u>                                         | <u>926,824</u>      | <u>798,778</u>     | <u>6,296,926</u>  |
| Assets by<br>geographical region |                                                          |                     |                    |                   |                                                          |                     |                    |                   |
| Total non-current assets         | <u>2,418,069</u>                                         | <u>469,985</u>      | <u>440,497</u>     | <u>3,328,551</u>  | <u>2,369,104</u>                                         | <u>341,299</u>      | <u>452,253</u>     | <u>3,162,656</u>  |
| Total assets                     | <u>5,870,107</u>                                         | <u>1,045,300</u>    | <u>784,318</u>     | <u>7,699,725</u>  | <u>5,623,117</u>                                         | <u>981,886</u>      | <u>869,696</u>     | <u>7,474,699</u>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6 PROPERTY, PLANT AND EQUIPMENT

### Year ended

#### 31 December 2025

|                             | Freehold<br>land<br>HK\$'000 | Buildings<br>HK\$'000 | Plant and<br>machinery<br>HK\$'000 | Furniture<br>and fixtures<br>HK\$'000 | Motor<br>vehicles<br>HK\$'000 | Construction-<br>in-progress<br>HK\$'000 | Total<br>HK\$'000 |
|-----------------------------|------------------------------|-----------------------|------------------------------------|---------------------------------------|-------------------------------|------------------------------------------|-------------------|
| Opening net book amount     | 26,375                       | 1,052,755             | 894,579                            | 147,720                               | 11,511                        | 547,922                                  | 2,680,862         |
| Exchange differences        | 67                           | 8,009                 | 7,157                              | 662                                   | 16                            | 4,923                                    | 20,834            |
| Additions                   | -                            | 521                   | 30,033                             | 6,183                                 | 5,090                         | 529,548                                  | 571,375           |
| Transfers                   | -                            | 63,571                | 213,585                            | 67,657                                | 426                           | (345,239)                                | -                 |
| Disposals                   | -                            | -                     | (14,205)                           | (3,019)                               | (650)                         | (2,658)                                  | (20,532)          |
| Classified as held for sale | -                            | (9,922)               | -                                  | -                                     | -                             | -                                        | (9,922)           |
| Depreciation                | -                            | (88,779)              | (202,184)                          | (23,754)                              | (2,559)                       | -                                        | (317,276)         |

Closing net book amount

|        |           |         |         |        |         |           |
|--------|-----------|---------|---------|--------|---------|-----------|
| 26,442 | 1,026,155 | 928,965 | 195,449 | 13,834 | 734,496 | 2,925,341 |
|--------|-----------|---------|---------|--------|---------|-----------|

#### As at 31 December 2025

|                                         |        |           |             |           |          |         |             |
|-----------------------------------------|--------|-----------|-------------|-----------|----------|---------|-------------|
| Cost                                    | 26,442 | 1,744,646 | 2,526,807   | 709,943   | 48,475   | 734,496 | 5,790,809   |
| Accumulated depreciation and impairment | -      | (718,491) | (1,597,842) | (514,494) | (34,641) | -       | (2,865,468) |

Net book amount

|        |           |         |         |        |         |           |
|--------|-----------|---------|---------|--------|---------|-----------|
| 26,442 | 1,026,155 | 928,965 | 195,449 | 13,834 | 734,496 | 2,925,341 |
|--------|-----------|---------|---------|--------|---------|-----------|

### Year ended

#### 31 December 2024

|                         |        |          |           |          |       |           |           |
|-------------------------|--------|----------|-----------|----------|-------|-----------|-----------|
| Opening net book amount | 26,555 | 962,538  | 888,411   | 144,005  | 9,913 | 650,802   | 2,682,224 |
| Exchange differences    | (180)  | (8,171)  | (7,227)   | (661)    | (24)  | (3,560)   | (19,823)  |
| Additions               | -      | 6,554    | 23,004    | 5,661    | 2,146 | 277,385   | 314,750   |
| Transfers               | -      | 169,552  | 174,931   | 28,913   | 1,639 | (375,035) | -         |
| Disposals               | -      | -        | (12,586)  | (2,075)  | (154) | (1,670)   | (16,485)  |
| Impairment              | -      | (4,576)  | (1,522)   | (39)     | -     | -         | (6,137)   |
| Depreciation            | -      | (73,142) | (170,432) | (28,084) | 2,009 | -         | (273,667) |

Closing net book amount

|        |           |         |         |        |         |           |
|--------|-----------|---------|---------|--------|---------|-----------|
| 26,375 | 1,052,755 | 894,579 | 147,720 | 11,511 | 547,922 | 2,680,862 |
|--------|-----------|---------|---------|--------|---------|-----------|

#### As at 31 December 2024

|                                         |        |           |             |           |          |         |             |
|-----------------------------------------|--------|-----------|-------------|-----------|----------|---------|-------------|
| Cost                                    | 26,375 | 1,720,515 | 2,325,754   | 642,265   | 46,028   | 547,922 | 5,308,859   |
| Accumulated depreciation and impairment | -      | (667,760) | (1,431,175) | (494,545) | (34,517) | -       | (2,627,997) |

Net book amount

|        |           |         |         |        |         |           |
|--------|-----------|---------|---------|--------|---------|-----------|
| 26,375 | 1,052,755 | 894,579 | 147,720 | 11,511 | 547,922 | 2,680,862 |
|--------|-----------|---------|---------|--------|---------|-----------|

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expense is recognised in the consolidated statement of comprehensive income as follows:

|                                     | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|-------------------------------------|--------------------------------|------------------|
| Cost of sales                       | <b>234,881</b>                 | 195,476          |
| Selling and marketing costs         | <b>3,602</b>                   | 4,578            |
| General and administrative expenses | <b>78,793</b>                  | 73,613           |
|                                     | <b>317,276</b>                 | 273,667          |

The Group's interests in buildings are analysed as follows:

|                                                                                                            | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|------------------------------------------------------------------------------------------------------------|--------------------------------|------------------|
| Buildings in Chinese Mainland and Vietnam, located on land with land use rights of between 10 and 50 years | <b>746,725</b>                 | 856,743          |
| Building in Mexico, located on freehold land                                                               | <b>273,518</b>                 | 196,012          |
|                                                                                                            | <b>1,026,155</b>               | 1,052,755        |

Analysis of construction-in-progress is as follows:

|                                 | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------------|--------------------------------|------------------|
| Construction costs of buildings | <b>457,562</b>                 | 330,548          |
| Cost of machinery               | <b>276,934</b>                 | 217,374          |
|                                 | <b>734,496</b>                 | 547,922          |

## 6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Accounting policy – Property, plant and equipment

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

Freehold land is stated at historical cost.

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.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

|                        |          |
|------------------------|----------|
| Buildings              | 20 years |
| Plant and machinery    | 10 years |
| Furniture and fixtures | 5 years  |
| Motor vehicles         | 5 years  |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Construction-in-progress, representing buildings, plant and machinery on which construction work has not been completed and machinery pending installation, is stated at historical cost, which includes construction expenditures incurred, cost of machinery, and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed. On completion, the construction-in-progress is transferred to appropriate categories of property, plant and equipment.

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

Gains and losses on sales are determined by comparing proceeds with carrying amounts and recognised within 'Other (losses)/gains – net' in the consolidated statement of comprehensive income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (a) Balances recognised in the consolidated statement of financial position

#### *Right-of-use assets*

|                                    | Leasehold<br>land and<br>land use<br>rights<br>HK\$'000 | Land under<br>finance lease<br>HK\$'000 | Factory<br>and office<br>premises<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------------------|---------------------------------------------------------|-----------------------------------------|-----------------------------------------------|-------------------|
| <b>Year ended 31 December 2025</b> |                                                         |                                         |                                               |                   |
| Opening net book amount            | 254,476                                                 | 4,886                                   | 75,205                                        | 334,567           |
| Depreciation                       | (7,067)                                                 | (263)                                   | (23,407)                                      | (30,737)          |
| Addition                           | -                                                       | -                                       | 47,509                                        | 47,509            |
| Classified as held for sale        | (8,928)                                                 | -                                       | -                                             | (8,928)           |
| Disposal                           | -                                                       | -                                       | (10,108)                                      | (10,108)          |
| Exchange differences               | 2,342                                                   | -                                       | 1,557                                         | 3,899             |
| Closing net book amount            | <u>240,823</u>                                          | <u>4,623</u>                            | <u>90,756</u>                                 | <u>336,202</u>    |
| <b>As at 31 December 2025</b>      |                                                         |                                         |                                               |                   |
| Cost                               | 316,182                                                 | 9,613                                   | 175,477                                       | 501,272           |
| Accumulated depreciation           | <u>(75,359)</u>                                         | <u>(4,990)</u>                          | <u>(84,721)</u>                               | <u>(165,070)</u>  |
| Net book amount                    | <u>240,823</u>                                          | <u>4,623</u>                            | <u>90,756</u>                                 | <u>336,202</u>    |
| <b>Year ended 31 December 2024</b> |                                                         |                                         |                                               |                   |
| Opening net book amount            | 220,011                                                 | 5,149                                   | 68,501                                        | 293,661           |
| Depreciation                       | (7,149)                                                 | (263)                                   | (22,738)                                      | (30,150)          |
| Addition                           | 43,708                                                  | -                                       | 31,593                                        | 75,301            |
| Exchange differences               | (2,094)                                                 | -                                       | (2,151)                                       | (4,245)           |
| Closing net book amount            | <u>254,476</u>                                          | <u>4,886</u>                            | <u>75,205</u>                                 | <u>334,567</u>    |
| <b>As at 31 December 2024</b>      |                                                         |                                         |                                               |                   |
| Cost                               | 326,971                                                 | 9,613                                   | 177,274                                       | 513,858           |
| Accumulated depreciation           | <u>(72,495)</u>                                         | <u>(4,727)</u>                          | <u>(102,069)</u>                              | <u>(179,291)</u>  |
| Net book amount                    | <u>254,476</u>                                          | <u>4,886</u>                            | <u>75,205</u>                                 | <u>334,567</u>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (a) Balances recognised in the consolidated statement of financial position (Continued)

#### *Lease liabilities*

|                     | <b>2025</b>     | 2024     |
|---------------------|-----------------|----------|
|                     | <b>HK\$'000</b> | HK\$'000 |
| Current portion     | <b>27,791</b>   | 20,741   |
| Non-current portion | <b>72,456</b>   | 63,014   |
|                     | <b>100,247</b>  | 83,755   |

### (b) Amounts recognised in the consolidated statement of comprehensive income

|                                                            | <b>2025</b>     | 2024     |
|------------------------------------------------------------|-----------------|----------|
|                                                            | <b>HK\$'000</b> | HK\$'000 |
| Depreciation charge of right-of-use assets                 | <b>30,737</b>   | 30,150   |
| Unwinding of interests on lease liabilities                | <b>4,510</b>    | 4,153    |
| Operating lease rental for short-term and low value leases | <b>3,075</b>    | 2,021    |

The total cash outflow of leases for the year ended 31 December 2025 was approximately HK\$29,749,000 (2024: HK\$26,454,000).

The total additional leases of factory and office premises was approximately HK\$47,509,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Amounts recognised in the consolidated statement of comprehensive income (Continued)

Depreciation expense is recognised in the consolidated statement of comprehensive income as follows:

|                                     | <b>2025</b>     | 2024     |
|-------------------------------------|-----------------|----------|
|                                     | <b>HK\$'000</b> | HK\$'000 |
| Cost of sales                       | <b>3,750</b>    | 1,160    |
| General and administrative expenses | <b>26,987</b>   | 28,990   |
|                                     | <b>30,737</b>   | 30,150   |

#### *Accounting policy – Right-of-use assets and lease liabilities*

All land in Chinese Mainland is state-owned or collectively-owned and no individual land ownership right exists. The Group has acquired the rights to use certain land in Chinese Mainland. The premiums paid for leasehold land and land use rights are treated as prepayments for operating leases, recorded as leasehold land and land use rights, and are amortised over the lease/land use right periods using the straight-line method.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. 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.

## 7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Amounts recognised in the consolidated statement of comprehensive income (Continued)

#### *Accounting policy – Right-of-use assets and lease liabilities* (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Amounts recognised in the consolidated statement of comprehensive income (Continued)

#### *Accounting policy – Right-of-use assets and lease liabilities* (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the Group (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

Variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

### (b) Amounts recognised in the consolidated statement of comprehensive income (Continued)

#### *Accounting policy – Right-of-use assets and lease liabilities* (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8 INTANGIBLE ASSETS

### Year ended 31 December 2025

Opening net book amount  
Amortisation

Closing net book amount

### At 31 December 2025

Cost  
Accumulated amortisation

Net book amount

|                          | Goodwill<br>HK\$'000 | Software<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------|----------------------|----------------------|-------------------|
| Opening net book amount  | 2,510                | 578                  | 3,088             |
| Amortisation             | –                    | (289)                | (289)             |
| Closing net book amount  | <u>2,510</u>         | <u>289</u>           | <u>2,799</u>      |
| Cost                     | 2,510                | 8,959                | 11,469            |
| Accumulated amortisation | –                    | (8,670)              | (8,670)           |
| Net book amount          | <u>2,510</u>         | <u>289</u>           | <u>2,799</u>      |

### Year ended 31 December 2024

Opening net book amount  
Amortisation

Closing net book amount

### At 31 December 2024

Cost  
Accumulated amortisation

Net book amount

|                          |              |            |              |
|--------------------------|--------------|------------|--------------|
| Opening net book amount  | 2,510        | 1,545      | 4,055        |
| Amortisation             | –            | (967)      | (967)        |
| Closing net book amount  | <u>2,510</u> | <u>578</u> | <u>3,088</u> |
| Cost                     | 2,510        | 8,959      | 11,469       |
| Accumulated amortisation | –            | (8,381)    | (8,381)      |
| Net book amount          | <u>2,510</u> | <u>578</u> | <u>3,088</u> |

For the year ended 31 December 2025, amortisation expense of HK\$289,000 (2024: HK\$967,000) has been charged to 'general and administrative expenses' in the consolidated profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8 INTANGIBLE ASSETS (CONTINUED)

Goodwill is allocated to the CGUs that are expected to benefit from the synergies of the combination, as follows:

|                | <b>2025</b>     | 2024     |
|----------------|-----------------|----------|
|                | <b>HK\$'000</b> | HK\$'000 |
| Corporate      | <b>2,510</b>    | 2,510    |
| At 31 December | <b>2,510</b>    | 2,510    |

Management performed a goodwill impairment assessment and determined no impairment charge was necessary against goodwill at 31 December 2025 (2024: Nil).

The recoverable amount of the CGU is determined based on value-in-use calculation. The calculation uses one year cash flow projections prepared based on financial budgets approved by the management. Cash flows beyond the budget period is extrapolated using an estimated growth rate which does not exceed the long-term average growth rate in which the CGU operates.

The key parameters used for value-in-use calculations are as follows:

|                       | <b>2025</b>     | 2024     |
|-----------------------|-----------------|----------|
|                       | <b>HK\$'000</b> | HK\$'000 |
| Revenue growth rate   | <b>11.8%</b>    | 11.5%    |
| Gross profit margin   | <b>1.5%</b>     | 1.5%     |
| Terminal growth rate  | <b>0.9%</b>     | 1.0%     |
| Pre-tax discount rate | <b>5.83%</b>    | 5.68%    |

Based on the result of the impairment assessment performed, the recoverable amounts of the CGU exceeded its carrying amounts. As a result, no additional provision for impairment loss on the CGU is required.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8 INTANGIBLE ASSETS (CONTINUED)

The recoverable amounts of the CGU would still exceeded its remaining carrying amounts if the assumptions were changes as follows:

- Lowering terminal growth rate to 0.0%; or
- Raising pre-tax discount rate by 5.0%; or
- Lowering revenue growth rate by 3.0% of the expected growth rate.

## 9 SUBSIDIARIES

The following is a list of the principal subsidiaries held directly and indirectly by the Company at 31 December 2025:

| Name                                                                                | Place of incorporation/<br>establishment, operations<br>and type of legal entity | Issued/registered<br>and fully paid up<br>capital | Percentage of equity<br>interest attributable<br>to the Group |          | Principal activities                |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------|----------|-------------------------------------|
|                                                                                     |                                                                                  |                                                   | Direct                                                        | Indirect |                                     |
| EVA Group Limited                                                                   | Hong Kong, limited liability company                                             | HK\$15,000                                        | –                                                             | 100%     | Investment holding                  |
| Digit Technology (Hong Kong) Limited (formerly known as "Digit Automotive Limited") | Hong Kong, limited liability company                                             | HK\$1                                             | –                                                             | 100%     | Investment holding                  |
| EVA Metal Mould Products Limited                                                    | British Virgin Islands, limited liability company                                | US\$1.12                                          | 100%                                                          | –        | Investment holding                  |
| Eva Precision Industrial (Eastern China) Limited<br>(億和精密工業(華東)有限公司)                | British Virgin Islands, limited liability company                                | US\$1                                             | 100%                                                          | –        | Investment holding                  |
| EVA Limited                                                                         | Hong Kong, limited liability company                                             | HK\$200,000,000                                   | –                                                             | 100%     | Trading of moulds<br>and components |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9 SUBSIDIARIES (CONTINUED)

| Name                                                                                | Place of incorporation/<br>establishment, operations<br>and type of legal entity | Issued/registered<br>and fully paid up<br>capital | Percentage of equity<br>interest attributable<br>to the Group |          | Principal activities                      |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------|----------|-------------------------------------------|
|                                                                                     |                                                                                  |                                                   | Direct                                                        | Indirect |                                           |
| EVA Plastic Mould Products (HK) Limited                                             | Hong Kong, limited liability company                                             | HK\$280,000                                       | –                                                             | 100%     | Trading of moulds<br>and components       |
| Okutatu (Macao Commercial Offshore) Limited                                         | Macau, limited liability company                                                 | MOP500,000                                        | –                                                             | 100%     | Trading of moulds<br>and components       |
| Shenzhen EVA Precision Technology Group Limited*<br>(深圳市億和精密科技集團有限公司)               | Chinese Mainland, limited liability company                                      | HK\$221,880,000                                   | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Yihe Plastic and Electronic Products (Shenzhen)<br>Co., Limited* (億和塑膠電子製品(深圳)有限公司) | Chinese Mainland, limited liability company                                      | HK\$195,000,000                                   | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| EVA Precision Industrial (Suzhou) Limited*<br>(億和精密工業(蘇州)有限公司)                      | Chinese Mainland, limited liability company                                      | US\$69,000,000                                    | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Zhongshan Digit Automotive Technology Limited*<br>(中山數碼模汽車技術有限公司)                   | Chinese Mainland, limited liability company                                      | HK\$220,000,000                                   | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Shenzhen EVA Mould Manufacturing Limited*<br>(深圳億和模具製造有限公司)                         | Chinese Mainland, limited liability company                                      | HK\$340,000,000                                   | –                                                             | 100%     | Manufacturing of moulds                   |
| Digit Stamping Technology (Wuhan) Limited*<br>(數碼模沖壓技術(武漢)有限公司)                     | Chinese Mainland, limited liability company                                      | RMB431,995,188                                    | –                                                             | 100%     | Manufacturing of moulds<br>and components |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9 SUBSIDIARIES (CONTINUED)

| Name                                                                                   | Place of incorporation/<br>establishment, operations<br>and type of legal entity | Issued/registered<br>and fully paid up<br>capital | Percentage of equity<br>interest attributable<br>to the Group |          | Principal activities                      |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------|----------|-------------------------------------------|
|                                                                                        |                                                                                  |                                                   | Direct                                                        | Indirect |                                           |
| Chongqing Digit Auto Body Ltd.*<br>(重慶數碼模車身模具有限公司)                                     | Chinese Mainland, limited liability company                                      | RMB380,000,000                                    | –                                                             | 100%     | Manufacturing of moulds                   |
| EVA Hai Phong Precision Industrial Co., Ltd.                                           | Vietnam, limited liability company                                               | US\$40,000,000                                    | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Digit Automotive de Mexico S.A. de C.V.                                                | Mexico, limited liability company                                                | MXN19,000                                         | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| EVA Precision Industrial (Weihai) Limited*<br>(億和精密工業(威海)有限公司)                         | Chinese Mainland, limited liability company                                      | US\$120,000,000                                   | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Sichuan Junyuan Investment Management Limited*<br>(四川駿源投資管理有限公司)                       | Chinese Mainland, limited liability company                                      | RMB130,000,000                                    | –                                                             | 100%     | Property development                      |
| Yixinhe Investment (Suzhou) Limited*<br>(億新和投資(蘇州)有限公司)                                | Chinese Mainland, limited liability company                                      | US\$30,000,000                                    | –                                                             | 100%     | Investment holding                        |
| Shenzhen Ewisdom Investment Holdings Limited*<br>(深圳億智投資控股有限公司)                        | Chinese Mainland, limited liability company                                      | RMB18,000,000                                     | –                                                             | 100%     | Investment holding                        |
| Intops (Weihai) Electronics Co., Limited*<br>("Intops Electronics")<br>(因塔思(威海)電子有限公司) | Chinese Mainland, limited liability company                                      | RMB28,975,346                                     | –                                                             | 100%     | Manufacturing of moulds<br>and components |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9 SUBSIDIARIES (CONTINUED)

| Name                                                                            | Place of incorporation/<br>establishment, operations<br>and type of legal entity | Issued/registered<br>and fully paid up<br>capital | Percentage of equity<br>interest attributable<br>to the Group |          | Principal activities                      |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------|----------|-------------------------------------------|
|                                                                                 |                                                                                  |                                                   | Direct                                                        | Indirect |                                           |
| Shenzhen Huaxian Intelligent Technology Co., Ltd*<br>(深圳華先智造科技有限公司)             | Chinese Mainland, limited liability company                                      | RMB10,000,000                                     | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Shenzhen Digit Automotive Technology Limited*<br>(深圳數碼模汽車技術有限公司)                | Chinese Mainland, limited liability company                                      | RMB816,162,259                                    | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Shenzhen EVA Technology Intelligent Manufacturing<br>Co., Ltd.* (深圳市億和科技智造有限公司) | Chinese Mainland, limited liability company                                      | RMB134,269,421                                    | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Sichuan Digit Automotive Technology Limited*<br>(四川數碼模汽車技術有限公司)                 | Chinese Mainland, limited liability company                                      | RMB10,000,000                                     | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Ewisdom Hai Phong Precision Industrial<br>Company Limited                       | Vietnam, limited liability company                                               | US\$7,000,000                                     | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| EVA Quang Ninh Precision Industrial<br>Company Limited                          | Vietnam, limited liability company                                               | US\$10,000,000                                    | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Shenyang Digit Automotive Technology Limited*<br>(沈陽數碼模汽車技術有限公司)                | Chinese Mainland, limited liability company                                      | RMB10,000,000                                     | –                                                             | 100%     | Manufacturing of moulds<br>and components |
| Digit Technology Corporation Limited                                            | Hong Kong, limited liability company                                             | HK\$1                                             | –                                                             | 100%     | Trading of moulds and<br>components       |

The English names of certain subsidiaries represent the best effort by the management of the Company in translating their Chinese names as they do not have official English names.

\* Registered as wholly foreign owned enterprises under PRC law

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10 INVESTMENTS IN ASSOCIATES

|                            | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------|------------------|------------------|
| As at 1 January            | 21,051           | 29,501           |
| Investment during the year | 802              | -                |
| Exchange differences       | 760              | (857)            |
| Share of profits/(losses)  | 2,404            | (7,593)          |
| As at 31 December          | 25,017           | 21,051           |

Details of the associates:

| Name                                                                             | Place of establishment, operations and kind of legal entity | Percentage of equity interest attributable to the Group |      | Principal activities                                                                                                                      | Measurement method |
|----------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
|                                                                                  |                                                             | 2025                                                    | 2024 |                                                                                                                                           |                    |
| Shenzhen Jinggong Microcredit Limited<br>(深圳市精工小額貸款有限公司)                         | Chinese Mainland, limited liability company                 | 40%                                                     | 40%  | Microcredit business                                                                                                                      | Equity             |
| Shenzhen L&L Auto-tech Co., Ltd.<br>(深圳興和瑜創新科技有限公司)                              | Chinese Mainland, limited liability company                 | 28%                                                     | 28%  | Design and manufacturing of reduction drive                                                                                               | Equity             |
| Austem Digital Model (Wuhan) Automotive Parts Co., Ltd.<br>(奧斯特姆數碼模(武漢)汽車配件有限公司) | Chinese Mainland, limited liability company                 | 49%                                                     | -    | Manufacturing of automobile chassis, brake assembly and other key automobile components and parts and technology research and development | Equity             |

There are no contingent liabilities and capital commitment relating to the Group's interests in associates, and no contingent liabilities of the associates themselves.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10 INVESTMENTS IN ASSOCIATES (CONTINUED)

Set out below is summarised financial information of Shenzhen Jinggong Microcredit Limited ("Microcredit"), which is material to the Group:

#### Summarised statement of financial position

|                            | <b>Microcredit</b> |          |
|----------------------------|--------------------|----------|
|                            | <b>2025</b>        | 2024     |
|                            | <b>HK\$'000</b>    | HK\$'000 |
| <b>ASSETS</b>              |                    |          |
| <b>Non-current assets</b>  | <b>2,581</b>       | 889      |
| <b>Current assets</b>      | <b>58,560</b>      | 52,513   |
| <b>LIABILITIES</b>         |                    |          |
| <b>Current liabilities</b> | <b>616</b>         | 775      |
| <b>Net current assets</b>  | <b>57,944</b>      | 51,738   |
| <b>Net assets</b>          | <b>60,525</b>      | 52,627   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10 INVESTMENTS IN ASSOCIATES (CONTINUED)

### Summarised statement of comprehensive income

|                                              | <b>Microcredit</b> |          |
|----------------------------------------------|--------------------|----------|
|                                              | <b>2025</b>        | 2024     |
|                                              | <b>HK\$'000</b>    | HK\$'000 |
| <b>Reconciliation of carrying amounts:</b>   |                    |          |
| <b>Net assets as at 1 January</b>            | <b>52,627</b>      | 73,752   |
| Profit/loss for the year                     | <b>6,027</b>       | (18,982) |
| Other comprehensive loss                     | <b>1,871</b>       | (2,143)  |
| <b>Net assets as at 31 December</b>          | <b>60,525</b>      | 52,627   |
| Interest in an associate (40%)               | <b>24,210</b>      | 21,051   |
| <b>Revenue</b>                               | <b>3,559</b>       | 2,664    |
| <b>Profit/(loss) before income tax</b>       | <b>6,207</b>       | (18,982) |
| Income tax expense                           | <b>—</b>           | —        |
| <b>Net profit/(loss) for the year</b>        | <b>6,207</b>       | (18,982) |
| Share of profit/(loss) of an associate (40%) | <b>2,411</b>       | (7,593)  |

### Aggregate information of other associates

Shenzhen L&L Auto-tech Co., Ltd., the another associate, the Group has not recognised share of loss amounting to HK\$558,000 for the year ended 31 December 2025 (31 December 2024: loss amounting to HK\$558,000). This associate was at net liability position as at both 31 December 2025 and 31 December 2024.

Austem Digital Model (Wuhan) Automotive Parts Co., Ltd., the new associate invested during the year, the Group has recognised share of loss amounting to HK\$7,000 for the year ended 31 December 2025. This associate was at net assets position of HK\$1,647,000 as at 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11 INVENTORIES

|                                            | <b>2025</b>     | 2024     |
|--------------------------------------------|-----------------|----------|
|                                            | <b>HK\$'000</b> | HK\$'000 |
| Raw materials                              | <b>235,210</b>  | 235,466  |
| Work-in-progress                           | <b>321,950</b>  | 204,576  |
| Finished goods                             | <b>300,367</b>  | 243,780  |
|                                            | <b>857,527</b>  | 683,822  |
| Less: Provision for inventory obsolescence | <b>(57,242)</b> | (43,937) |
| Inventories – net                          | <b>800,285</b>  | 639,885  |

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$3,746,609,000 (2024: HK\$3,868,994,000).

Movements of the Group's provision relating to inventories are as follows:

|                                      | <b>2025</b>     | 2024     |
|--------------------------------------|-----------------|----------|
|                                      | <b>HK\$'000</b> | HK\$'000 |
| At 1 January                         | <b>43,937</b>   | 36,240   |
| Provision for inventory obsolescence | <b>13,305</b>   | 7,697    |
| At 31 December                       | <b>57,242</b>   | 43,937   |

The inventory provision has been included in 'Cost of sales' in the consolidated statement of comprehensive income.

### Accounting policy – Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Cost of purchased inventory are determined after deducting rebates and discounts. 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

## 12 TRADE AND BILLS RECEIVABLES

|                                  | <b>2025</b>      | 2024      |
|----------------------------------|------------------|-----------|
|                                  | <b>HK\$'000</b>  | HK\$'000  |
| Trade receivables                | <b>1,424,792</b> | 1,507,923 |
| Less: Loss allowance             | <b>(1,188)</b>   | (1,188)   |
| Trade receivables – net          | <b>1,423,604</b> | 1,506,735 |
| Bills receivables                | <b>341,059</b>   | 287,601   |
| Trade and bills receivables, net | <b>1,764,663</b> | 1,794,336 |

The credit period granted by the Group to its customers is generally 30 to 180 days. The aging of the trade and bills receivables based on invoice date is as follows:

|                                   | <b>2025</b>      | 2024      |
|-----------------------------------|------------------|-----------|
|                                   | <b>HK\$'000</b>  | HK\$'000  |
| 0 to 90 days                      | <b>1,284,436</b> | 1,263,565 |
| 91 to 180 days                    | <b>481,415</b>   | 531,959   |
|                                   | <b>1,765,851</b> | 1,795,524 |
| Less: Loss allowance              | <b>(1,188)</b>   | (1,188)   |
| Trade and bills receivables – net | <b>1,764,663</b> | 1,794,336 |

The carrying amounts of trade and bills receivables approximate their fair values.

The top five customers and the largest customer accounted for 56.31% (2024: 53.63%) and 16.77% (2024: 13.25%), respectively, of the trade and bills receivables balance as at 31 December 2025. Other than these major customers, there is no concentration of credit risk with respect to trade and bills receivables as the Group has a large number of customers.

As at 31 December 2025, no trade receivables were past due (2024: Nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 12 TRADE AND BILLS RECEIVABLES (CONTINUED)

Movements of loss allowance are as follows:

|                                           | <b>2025</b>     | 2024     |
|-------------------------------------------|-----------------|----------|
|                                           | <b>HK\$'000</b> | HK\$'000 |
| As at 1 January                           | <b>1,188</b>    | 1,188    |
| Net impairment losses on financial assets | <b>–</b>        | –        |
| As at 31 December                         | <b>1,188</b>    | 1,188    |

Trade and bills receivables are denominated in the following currencies:

|        | <b>2025</b>      | 2024      |
|--------|------------------|-----------|
|        | <b>HK\$'000</b>  | HK\$'000  |
| HK\$   | <b>87,982</b>    | 151,051   |
| US\$   | <b>695,112</b>   | 855,199   |
| RMB    | <b>973,898</b>   | 768,086   |
| Others | <b>8,859</b>     | 21,188    |
|        | <b>1,765,851</b> | 1,795,524 |

### Accounting policy – Trade and bills receivables

Trade and bills receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade and bills receivables are generally due for settlement within 180 days and therefore are all classified as current.

Trade and bills receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and bills receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b)(ii) for a description of the Group's impairment policies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

|                                                                               | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|-------------------------------------------------------------------------------|--------------------------------|------------------|
| Non-current:                                                                  |                                |                  |
| Deposits for purchases of property, plant and equipment                       | <b>20,885</b>                  | 74,095           |
| Loan to a supplier (Note a)                                                   | –                              | 25,764           |
| Others                                                                        | <b>4,618</b>                   | 3,826            |
|                                                                               | <b>25,503</b>                  | 103,685          |
| Current:                                                                      |                                |                  |
| Consideration receivables from disposal of financial assets at FVOCI (Note c) | –                              | 10,824           |
| Consideration receivables from disposal of a subsidiary (Note c)              | –                              | 3,544            |
| Prepayments for purchases of raw materials                                    | <b>59,387</b>                  | 40,539           |
| Value-added tax recoverable                                                   | <b>12,173</b>                  | 5,249            |
| Prepayment of utilities expenses                                              | <b>1,728</b>                   | 1,949            |
| Receivables from employees and staff advances (Note b)                        | <b>2,863</b>                   | 2,413            |
| Deposits placed with customs in Chinese Mainland                              | <b>429</b>                     | 419              |
| Receivables from the former subsidiaries (Note b)                             | <b>48,774</b>                  | 51,115           |
| Receivables from an associate (Note b)                                        | –                              | 6,517            |
| Others                                                                        | <b>10,792</b>                  | 8,542            |
|                                                                               | <b>136,146</b>                 | 131,111          |
| Loss allowance                                                                | <b>(42,549)</b>                | (65,772)         |
|                                                                               | <b>93,597</b>                  | 65,339           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Note a: The loan receivable from a supplier is interest bearing at 3.50% per annum, repayable on 31 December 2026 and denominated in Renminbi. The loan receivable has been settled by a supplier during the year ended 31 December 2025.

Note b: Receivables from employees and staff advances, receivables from the former subsidiaries and receivables from an associate are unsecured, non-interest bearing, repayable on demand and denominated in Renminbi.

Note c: Consideration receivables from disposal of financial assets at fair value through other comprehensive income and consideration receivables from disposal of a subsidiary are unsecured, non-interest bearing, repayable upon completion of disposal and denominated in Renminbi.

As at the year ended 31 December 2025, no additional loss allowance for deposits and other receivables was made (2024: Nil).

Movements of loss allowance are as follows:

|                                                    | <b>2025</b>     | 2024     |
|----------------------------------------------------|-----------------|----------|
|                                                    | <b>HK\$'000</b> | HK\$'000 |
| As at 1 January                                    | <b>65,772</b>   | 65,772   |
| Write-off of impairment losses on financial assets | <b>(23,223)</b> | –        |
| As at 31 December                                  | <b>42,549</b>   | 65,772   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

|                                                     | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|-----------------------------------------------------|--------------------------------|------------------|
| Unlisted:                                           |                                |                  |
| Equity securities – Chinese Mainland, at fair value | <b>9,230</b>                   | 15,132           |

The fair values of the unlisted equity securities were determined by reference to the net asset value estimated by an independent firm of professional valuers. The fair values are within level 3 of the fair value hierarchy (see Note 3.3).

The financial assets at FVOCI are denominated in RMB.

Movements of the financial assets at FVOCI are as follows:

|                                                                      | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|----------------------------------------------------------------------|--------------------------------|------------------|
| As at 1 January                                                      | <b>15,132</b>                  | 11,954           |
| Redemption on investment                                             | –                              | (5,012)          |
| Revaluation (losses)/gains transferred to other comprehensive income | <b>(5,902)</b>                 | 8,190            |
| As at 31 December                                                    | <b>9,230</b>                   | 15,132           |

### 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

#### **Accounting policy – Financial assets**

##### **(a) Classification**

The Group classifies its financial assets in the following categories: those to be measured subsequently at fair value (either through OCI or through profit or loss), or those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

##### **(b) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

##### **(c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

#### Accounting policy – Financial assets (Continued)

##### (c) *Measurement* (Continued)

###### (i) *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in 'Other losses – net' in the statement of comprehensive income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### (d) *Impairment*

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

|                           | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------|--------------------------------|------------------|
| Restricted bank deposits  | <b>96,348</b>                  | 73,534           |
| Cash and cash equivalents | <b>1,597,431</b>               | 1,738,949        |
|                           | <b>1,693,779</b>               | 1,812,483        |

As at 31 December 2025, the effective interest rate and respective average maturity days of the restricted bank deposits and cash and cash equivalents were as follows:

|                           | <b>2025</b>                                        |                                        | 2024                                      |                               |
|---------------------------|----------------------------------------------------|----------------------------------------|-------------------------------------------|-------------------------------|
|                           | <b>Effective<br/>interest rate<br/>(per annum)</b> | <b>Average<br/>maturity<br/>(days)</b> | Effective<br>interest rate<br>(per annum) | Average<br>maturity<br>(days) |
| Restricted bank deposits  | <b>0.9%</b>                                        | <b>180</b>                             | 1.1%                                      | 180                           |
| Cash and cash equivalents | <b>0.5%</b>                                        | <b>7</b>                               | 0.6%                                      | 7                             |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS (CONTINUED)

Restricted bank deposits and cash and cash equivalents were denominated in the following currencies:

|                 | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000        |
|-----------------|--------------------------------|-------------------------|
| HK\$            | <b>225,440</b>                 | 381,136                 |
| RMB             | <b>582,472</b>                 | 552,231                 |
| US\$            | <b>802,202</b>                 | 835,158                 |
| Japanese yen    | <b>2,041</b>                   | 374                     |
| Euro            | <b>16,455</b>                  | 10,129                  |
| Vietnamese dong | <b>54,851</b>                  | 31,452                  |
| MXN             | <b>10,072</b>                  | 1,732                   |
| Others          | <b>246</b>                     | 271                     |
|                 | <b><u>1,693,779</u></b>        | <b><u>1,812,483</u></b> |

The carrying amounts of restricted bank deposits and cash and cash equivalents approximate their fair values.

As at 31 December 2025, the Group had restricted bank deposits and cash and cash equivalents amounting to approximately HK\$1,065,850,000 (2024: HK\$1,140,735,000) which were denominated in different currencies and held in the PRC. These cash and bank balances are subject to rules and regulations of foreign exchange control promulgated by the PRC government.

### 16 ASSET AND LIABILITY CLASSIFIED AS HELD FOR SALE

|                                       | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------------------|--------------------------------|------------------|
| Asset classified as held for sale     |                                |                  |
| Land and building                     | <b><u>18,850</u></b>           | <u>—</u>         |
| Liability classified as held for sale |                                |                  |
| Deferred tax liability                | <b><u>2,344</u></b>            | <u>—</u>         |

### 16 ASSET AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONTINUED)

#### (i) Land and property held for sale

On 31 July 2025, Intops Electronics (an indirect wholly-owned subsidiary of the Company) and Weihai Gaoxin Innovation Park Operation Management Co., Ltd “Weihai Innovation Park” entered into the sale and purchase agreement (“SPA”), pursuant to which Intops Electronics agreed to sell, and Weihai Innovation Park agreed to purchase, the Land together with the Properties located in Weihai City for the total consideration of RMB64,107,700 (equivalent to approximately HK\$70,518,470). The sale is expected to be completed in 2026. The land and property is presented within total assets of the office automation equipment segment in Note 5. Details of the transaction were disclosed in the Company’s announcement dated 31 July 2025.

#### (ii) Non-recurring fair value measurements

Land and property classified as held for sale during the year was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the land was determined using the “quoted price” agreed in SPA. This is a level 1 measurement under the fair value hierarchy set out in Note 3.3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17 TRADE PAYABLES

The aging of trade payables based on invoice date is as follows:

|                | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000        |
|----------------|--------------------------------|-------------------------|
| 0 to 90 days   | <b>1,414,941</b>               | 1,376,505               |
| 91 to 180 days | <b>115,891</b>                 | 133,210                 |
|                | <b><u>1,530,832</u></b>        | <b><u>1,509,715</u></b> |

The carrying amounts of trade payables approximate their fair values and are denominated in the following currencies:

|        | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000        |
|--------|--------------------------------|-------------------------|
| HK\$   | <b>12,488</b>                  | 13,183                  |
| RMB    | <b>1,067,449</b>               | 956,133                 |
| US\$   | <b>422,573</b>                 | 529,412                 |
| Others | <b>28,322</b>                  | 10,987                  |
|        | <b><u>1,530,832</u></b>        | <b><u>1,509,715</u></b> |

## 18 CONTRACT LIABILITIES

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

|                                   | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000      |
|-----------------------------------|--------------------------------|-----------------------|
| Receipt in advance from customers | <b><u>166,182</u></b>          | <b><u>132,241</u></b> |

Contract liabilities for receipt in advance increased by HK\$33,941,000 (2024: increased by HK\$36,519,000) due to more prepayments from customers (2024: same).

For the year ended 31 December 2025, HK\$132,241,000 (2024: HK\$95,722,000) of revenue recognised was included in the contract liability balance at the beginning of the period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 ACCRUALS AND OTHER PAYABLES

|                                                                               | <b>2025</b>     | 2024     |
|-------------------------------------------------------------------------------|-----------------|----------|
|                                                                               | <b>HK\$'000</b> | HK\$'000 |
| Payable for purchase of property, plant and equipment                         | <b>47,412</b>   | 45,581   |
| *Accrued utilities expenses                                                   | <b>4,085</b>    | 4,166    |
| *Accrued wages, salaries and welfare                                          | <b>165,407</b>  | 166,352  |
| *Accrued operating expenses                                                   | <b>8,826</b>    | 7,633    |
| Purchase consideration balance payable<br>for the acquisition of subsidiaries | <b>7,058</b>    | 8,266    |
| Other payables                                                                | <b>107,509</b>  | 39,247   |
|                                                                               | <b>340,297</b>  | 271,245  |

The carrying amounts of other payables (excluding accruals) approximate their fair values and are denominated in the following currencies:

|        | <b>2025</b>     | 2024     |
|--------|-----------------|----------|
|        | <b>HK\$'000</b> | HK\$'000 |
| HK\$   | <b>1,280</b>    | 2,325    |
| RMB    | <b>144,352</b>  | 75,501   |
| Others | <b>16,347</b>   | 15,268   |
|        | <b>161,979</b>  | 93,094   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 BANK BORROWINGS

|                                                                                                               | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------------------------------------------------------------------------------------------|--------------------------------|------------------|
| Current:                                                                                                      |                                |                  |
| Short-term bank loans                                                                                         | <b>389,827</b>                 | 348,195          |
| Portion of long-term loans from banks due for repayment within one year (including those repayable on demand) | <b>722,598</b>                 | 499,404          |
|                                                                                                               | <b>1,112,425</b>               | 847,599          |
| Non-current:                                                                                                  |                                |                  |
| Portion of long-term loans from banks due for repayment after one year                                        | <b>1,051,387</b>               | 1,436,900        |
| Total bank borrowings                                                                                         | <b>2,163,812</b>               | 2,284,499        |

All bank borrowings are interest-bearing and carried at amortised cost.

All bank borrowings bore floating interest rates and the carrying amounts of bank borrowings approximate their fair values.

The Group's bank borrowings are repayable as follows:

|                            | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|----------------------------|--------------------------------|------------------|
| Within 1 year or on demand | <b>1,112,425</b>               | 847,599          |
| Between 1 and 2 years      | <b>912,887</b>                 | 1,058,800        |
| Between 2 and 5 years      | <b>138,500</b>                 | 378,100          |
|                            | <b>2,163,812</b>               | 2,284,499        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 BANK BORROWINGS (CONTINUED)

The carrying amounts of the bank borrowings are denominated in the following currencies:

|      | <b>2025</b>      | 2024      |
|------|------------------|-----------|
|      | <b>HK\$'000</b>  | HK\$'000  |
| HK\$ | <b>2,049,843</b> | 2,230,700 |
| RMB  | <b>113,968</b>   | 53,799    |
|      | <b>2,163,812</b> | 2,284,499 |

As at 31 December 2025, the effective interest rates (per annum) of the Group's bank borrowings were as follows:

|            | <b>Short-term bank loans</b> |       | <b>Long-term bank loans</b> |       |
|------------|------------------------------|-------|-----------------------------|-------|
|            | <b>2025</b>                  | 2024  | <b>2025</b>                 | 2024  |
| HK dollars | <b>3.80%</b>                 | 5.83% | <b>4.69%</b>                | 5.83% |
| Renminbi   | <b>2.51%</b>                 | 2.83% | <b>2.56%</b>                | 0.02% |

As at 31 December 2025, the Group has undrawn floating rate borrowing facilities of approximately HK\$655,800,000 (2024: HK\$595,800,000).

As at 31 December 2025 and 2024, no asset was pledged as collateral for the Group's bank borrowings.

## 21 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax recoverable against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 21 DEFERRED TAXATION (CONTINUED)

The analysis of deferred income tax liabilities, net is as follows:

|                                      | As at    |          |
|--------------------------------------|----------|----------|
|                                      | 2025     | 2024     |
|                                      | HK\$'000 | HK\$'000 |
| Deferred income tax assets           | 4,459    | 4,271    |
| Deferred income tax liabilities      | (18,016) | (21,226) |
| Deferred income tax liabilities, net | (13,557) | (16,955) |

The gross movement of the deferred income tax liabilities, net is as follow:

|                                           | 2025     | 2024     |
|-------------------------------------------|----------|----------|
|                                           | HK\$'000 | HK\$'000 |
| As at 1 January                           | (16,955) | (17,472) |
| Credited to profit or loss (Note 28)      | 1,054    | 517      |
| Reclassified as liabilities held for sale | 2,344    | —        |
| As at 31 December                         | (13,557) | (16,955) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 21 DEFERRED TAXATION (CONTINUED)

The nature of items giving rise to the deferred income tax liabilities, without taking into consideration of the offsetting of balances within the same jurisdiction are as follows:

|                                           | <b>Right-of-<br/>use assets</b> | <b>Fair value<br/>gains</b> | <b>Withholding<br/>tax</b> | <b>Total</b>    |
|-------------------------------------------|---------------------------------|-----------------------------|----------------------------|-----------------|
|                                           | HK\$'000                        | HK\$'000                    | HK\$'000                   | HK\$'000        |
| As at 1 January 2024                      | (8,564)                         | (17,047)                    | (5,129)                    | (30,741)        |
| (Charged)/credited to profit or loss      | (2,206)                         | 950                         | –                          | (1,256)         |
| As at 31 December 2024                    | (10,770)                        | (16,097)                    | (5,129)                    | (31,997)        |
| Reclassified as liabilities held for sale | –                               | 2,344                       | –                          | 2,344           |
| (Charged)/credited to profit or loss      | (4,879)                         | 866                         | –                          | (4,013)         |
| As at 31 December 2025                    | <u>(15,650)</u>                 | <u>(12,887)</u>             | <u>(5,129)</u>             | <u>(33,666)</u> |

The nature of items giving rise to the deferred income tax assets, without taking into consideration of the offsetting of balances within the same jurisdiction are as follows:

|                                      | <b>Lease<br/>liabilities</b> | <b>Tax loss</b> | <b>Fair value<br/>loss</b> | <b>Total</b>  |
|--------------------------------------|------------------------------|-----------------|----------------------------|---------------|
|                                      | HK\$'000                     | HK\$'000        | HK\$'000                   | HK\$'000      |
| As at 1 January 2024                 | 9,394                        | 2,887           | 988                        | 13,269        |
| Credited/(charged) to profit or loss | 2,502                        | (672)           | (57)                       | 1,773         |
| As at 31 December 2024               | 11,896                       | 2,215           | 931                        | 15,042        |
| Credited/(charged) to profit or loss | 5,122                        | –               | (55)                       | 5,067         |
| As at 31 December 2025               | <u>17,018</u>                | <u>2,215</u>    | <u>876</u>                 | <u>20,109</u> |

The above deferred income tax liabilities in respect of withholding tax related to the unremitted retained earnings of certain subsidiaries. In addition, deferred income tax liabilities of HK\$113,392,000 (2024: HK\$109,574,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries as such amounts are considered likely to be reinvested permanently.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 21 DEFERRED TAXATION (CONTINUED)

Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$51,707,000 (2024: HK\$63,365,000) in respect of losses amounting to HK\$236,780,000 (2024: HK\$308,481,000) that can be carried forward against future taxable income. Tax losses of HK\$64,455,000, HK\$37,853,000, HK\$3,001,000, HK\$25,616,000, HK\$32,532,000, HK\$32,139,000 and HK\$41,185,000 will expire in 2026, 2027, 2028, 2029, 2030, 2032 and 2033 respectively (2024: HK\$88,211,000, HK\$61,863,000, HK\$33,488,000, HK\$3,001,000, HK\$23,711,000, HK\$24,883,000, HK\$32,139,000 and HK\$41,185,000 will expire in 2025, 2026, 2027, 2028, 2029, 2030, 2032 and 2033 respectively).

#### **Accounting policy – Deferred income tax**

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

##### *Outside basis differences*

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

##### *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 22 SHARE CAPITAL

|                                                              | <b>Number of<br/>ordinary<br/>shares</b><br>(thousands) | <b>Nominal<br/>value</b><br>HK\$'000 |
|--------------------------------------------------------------|---------------------------------------------------------|--------------------------------------|
| Authorised:                                                  |                                                         |                                      |
| As at 1 January 2024,<br>31 December 2024 and 2025           | <u>200,000,000</u>                                      | <u>200,000,000</u>                   |
| Issued and fully paid:                                       |                                                         |                                      |
| As at 1 January 2024,<br>31 December 2024 and 1 January 2025 | 1,740,920                                               | 174,092                              |
| Repurchase of shares                                         | <u>(10,482)</u>                                         | <u>(1,048)</u>                       |
| As at 31 December 2025                                       | <u>1,730,438</u>                                        | <u>173,044</u>                       |

### Share options

In 2023, the Company adopted a share option scheme (the "2023 Share Option Scheme"). Under the 2023 Share Option Scheme, the Company's directors may, at their sole discretion, grant to any director or employee of the Group the right to take up options to subscribe for shares of the Company at the highest of (i) the closing price of shares of the Company as stated in the daily quotation sheet of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on the day of the offer of grant; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the day of the offer of the grant; and (iii) the nominal value of shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2023 Share Option Scheme and any other share option scheme of the Company shall not, in aggregate, exceed 10% of the relevant shares or securities of the Company in issue as at the date on which the 2023 Share Option Scheme is approved and adopted by resolution of the Shareholders ("effective date"). The maximum number of shares to be issued upon the exercise of all outstanding options granted to the Service Providers and yet to be exercised under the 2023 Share Option Scheme and any other share option scheme of the Company shall not, in aggregate, exceed 1% of the relevant shares or securities of the Company in issue as at the effective date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 22 SHARE CAPITAL (CONTINUED)

### Share options (Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

|                 | 2025                                           |                              | 2024                                           |                              |
|-----------------|------------------------------------------------|------------------------------|------------------------------------------------|------------------------------|
|                 | Average<br>exercise price<br>per share<br>HK\$ | Number of<br>options<br>'000 | Average<br>exercise price<br>per share<br>HK\$ | Number of<br>options<br>'000 |
| As at 1 January | 1.80                                           | 19,200                       | 1.51                                           | 119,200                      |
| Lapsed          | —                                              | —                            | —                                              | (100,000)                    |
|                 |                                                | <b>19,200</b>                |                                                | <b>19,200</b>                |

Share options outstanding as at the end of the year have the following expiry dates and exercise prices:

|                 | 2025                      |                              | 2024                      |                              |
|-----------------|---------------------------|------------------------------|---------------------------|------------------------------|
|                 | Exercise<br>Price<br>HK\$ | Number of<br>Options<br>'000 | Exercise<br>Price<br>HK\$ | Number of<br>Options<br>'000 |
| Expiry date     |                           |                              |                           |                              |
| 5 November 2027 | 1.80                      | 19,200                       | 1.80                      | 19,200                       |
|                 |                           | <b>19,200</b>                |                           | <b>19,200</b>                |

No share-based payment charged to the consolidated statement of comprehensive income during the year ended 31 December 2025 (2024: Nil).

## 22 SHARE CAPITAL (CONTINUED)

### **Accounting policy – Share-based payments**

Share-based payment expenses should be recognised over the period during which the employees provide the relevant services. Once the grant date has been established, the entity revises the earlier estimate so that the amounts recognised for services received is ultimately based on the grant date fair value of the equity instruments.

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (“options”) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets and the requirement to remain an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 23 RESERVES

|                                                                | Share<br>premium<br>HK\$'000 | Capital<br>reserve (i)<br>HK\$'000 | Statutory<br>reserves (ii)<br>HK\$'000 | Capital<br>redemption<br>reserve (iii)<br>HK\$'000 | Share<br>options<br>reserve<br>HK\$'000 | Financial<br>assets at<br>FVOCI reserve<br>HK\$'000 | Exchange<br>reserve<br>HK\$'000 | Retained<br>earnings<br>HK\$'000 | Total<br>HK\$'000 |
|----------------------------------------------------------------|------------------------------|------------------------------------|----------------------------------------|----------------------------------------------------|-----------------------------------------|-----------------------------------------------------|---------------------------------|----------------------------------|-------------------|
| As at 1 January 2025                                           | 877,566                      | (735)                              | 287,006                                | 40,061                                             | 13,587                                  | (12,382)                                            | (171,119)                       | 1,933,845                        | 2,967,829         |
| Profit for the year                                            | -                            | -                                  | -                                      | -                                                  | -                                       | -                                                   | -                               | 244,627                          | 244,627           |
| Dividends paid                                                 | (34,608)                     | -                                  | -                                      | -                                                  | -                                       | -                                                   | -                               | (40,319)                         | (74,927)          |
| Other comprehensive loss                                       |                              |                                    |                                        |                                                    |                                         |                                                     |                                 |                                  |                   |
| – Currency translation differences                             | -                            | -                                  | -                                      | -                                                  | -                                       | -                                                   | 37,019                          | -                                | 37,019            |
| – Revaluation losses on financial<br>assets at FVOCI           | -                            | -                                  | -                                      | -                                                  | -                                       | (5,902)                                             | -                               | -                                | (5,902)           |
| Premium on repurchase of shares                                | (6,917)                      | -                                  | -                                      | -                                                  | -                                       | -                                                   | -                               | -                                | (6,917)           |
| Capital redemption reserve arising<br>from repurchase of share | -                            | -                                  | -                                      | 1,048                                              | -                                       | -                                                   | -                               | (1,048)                          | -                 |
| Transfer to statutory reserves                                 | -                            | -                                  | 35,224                                 | -                                                  | -                                       | -                                                   | -                               | (35,224)                         | -                 |
| As at 31 December 2025                                         | <u>836,041</u>               | <u>(735)</u>                       | <u>322,230</u>                         | <u>41,109</u>                                      | <u>13,587</u>                           | <u>(18,284)</u>                                     | <u>(134,100)</u>                | <u>2,101,881</u>                 | <u>3,161,729</u>  |

|                                                              | Share premium<br>HK\$'000 | Capital<br>reserve (i)<br>HK\$'000 | Statutory<br>reserves (ii)<br>HK\$'000 | Capital<br>redemption<br>reserve (iii)<br>HK\$'000 | Share<br>options<br>reserve<br>HK\$'000 | Financial assets<br>at FVOCI reserve<br>HK\$'000 | Exchange<br>reserve<br>HK\$'000 | Retained<br>earnings<br>HK\$'000 | Total<br>HK\$'000 |
|--------------------------------------------------------------|---------------------------|------------------------------------|----------------------------------------|----------------------------------------------------|-----------------------------------------|--------------------------------------------------|---------------------------------|----------------------------------|-------------------|
| As at 1 January 2024                                         | 950,474                   | (735)                              | 253,555                                | 40,061                                             | 74,527                                  | (20,572)                                         | (136,537)                       | 1,662,849                        | 2,823,622         |
| Profit for the year                                          | -                         | -                                  | -                                      | -                                                  | -                                       | -                                                | -                               | 243,507                          | 243,507           |
| Dividends paid                                               | (72,908)                  | -                                  | -                                      | -                                                  | -                                       | -                                                | -                               | -                                | (72,908)          |
| Other comprehensive loss                                     |                           |                                    |                                        |                                                    |                                         |                                                  |                                 |                                  |                   |
| – Currency translation differences                           | -                         | -                                  | -                                      | -                                                  | -                                       | -                                                | (34,582)                        | -                                | (34,582)          |
| – Revaluation losses on financial<br>assets at FVOCI         | -                         | -                                  | -                                      | -                                                  | -                                       | 8,190                                            | -                               | -                                | 8,190             |
| Transfer to statutory reserves                               | -                         | -                                  | 33,451                                 | -                                                  | -                                       | -                                                | -                               | (33,451)                         | -                 |
| Transfer to retained earnings upon<br>lapse of share options | -                         | -                                  | -                                      | -                                                  | (60,940)                                | -                                                | -                               | 60,940                           | -                 |
| As at 31 December 2024                                       | <u>877,566</u>            | <u>(735)</u>                       | <u>287,006</u>                         | <u>40,061</u>                                      | <u>13,587</u>                           | <u>(12,382)</u>                                  | <u>(171,119)</u>                | <u>1,933,845</u>                 | <u>2,967,829</u>  |

## 23 RESERVES (CONTINUED)

Notes:

- (i) The capital reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to a reorganisation over the nominal value of the share capital of the Company issued in exchange therefor. The reorganisation took place in April 2005 in contemplation of the listing of the Company's shares on The Stock Exchange of Hong Kong Limited.
- (ii) In accordance with the articles of association of the relevant subsidiaries established in Chinese Mainland and the Chinese Mainland rules and regulations, the Chinese Mainland subsidiaries are required to transfer not less than 10% of their net profit as stated in the financial statements prepared under Chinese Mainland accounting regulations to statutory reserves before the corresponding Chinese Mainland subsidiaries can distribute any dividend. Such a transfer is not required when the amount of statutory reserves reaches 50% of the corresponding subsidiaries' registered capital. The statutory reserve shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval of the corresponding subsidiaries' shareholders in general meetings, the subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to the existing owners in proportion to the existing ownership structure.
- (iii) The capital redemption reserve resulted from repurchase of the Company's own shares on The Stock Exchange of Hong Kong Limited. The repurchased shares were cancelled upon repurchase. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained earnings to capital redemption reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 24 OTHER INCOME AND OTHER (LOSSES) – NET

|                                                   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---------------------------------------------------|------------------|------------------|
| <b>Other income</b>                               |                  |                  |
| Government grants                                 | 15,474           | 21,027           |
| Storage income                                    | 23,242           | 21,179           |
| Others                                            | 285              | —                |
|                                                   | <b>39,001</b>    | 42,206           |
| <b>Other losses – net</b>                         |                  |                  |
| Loss on disposal of property, plant and equipment | (8,196)          | (12,148)         |
| Net exchange gains/(losses)                       | 7,446            | (18,759)         |
| Others                                            | 42               | 3,574            |
|                                                   | <b>(708)</b>     | (27,333)         |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 25 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and general and administrative expenses are analysed as follows:

|                                                                | <b>2025</b>      | 2024      |
|----------------------------------------------------------------|------------------|-----------|
|                                                                | <b>HK\$'000</b>  | HK\$'000  |
| Depreciation of property, plant and equipment                  | <b>317,276</b>   | 273,667   |
| Depreciation of right-of-use assets                            | <b>30,737</b>    | 30,150    |
| Amortisation of intangible assets                              | <b>289</b>       | 967       |
| Employee benefit expenses (Note 26)                            | <b>1,227,877</b> | 1,159,906 |
| Auditor's remuneration                                         |                  |           |
| – Audit services                                               | <b>5,335</b>     | 4,490     |
| – Non-audit services                                           | <b>1,417</b>     | 1,365     |
| Changes in inventories of finished goods and work-in- progress | <b>(173,961)</b> | (76,877)  |
| Raw materials and consumables used                             | <b>3,457,578</b> | 3,823,486 |
| Provision for inventory obsolescence                           | <b>13,305</b>    | 7,697     |
| Subcontracting expenses                                        | <b>6,627</b>     | 9,016     |
| Utilities expenses                                             | <b>80,826</b>    | 79,561    |
| Transportation expenses                                        | <b>54,460</b>    | 59,529    |
| Packaging expenses                                             | <b>122,470</b>   | 143,776   |
| Marketing expenses                                             | <b>14,946</b>    | 12,057    |
| Office expenses                                                | <b>68,658</b>    | 71,834    |
| Operating lease payments for short-term and low value leases   | <b>3,075</b>     | 2,021     |
| Others                                                         | <b>471,435</b>   | 330,328   |
|                                                                | <b>5,702,351</b> | 5,932,973 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26 EMPLOYEE BENEFIT EXPENSES

|                                                     | <b>2025</b>      | 2024      |
|-----------------------------------------------------|------------------|-----------|
|                                                     | <b>HK\$'000</b>  | HK\$'000  |
| Wages, salaries and bonus                           | <b>1,047,101</b> | 1,014,467 |
| Staff welfare                                       | <b>68,720</b>    | 56,268    |
| Retirement benefit – defined contribution plans (a) | <b>112,056</b>   | 89,171    |
|                                                     | <b>1,227,877</b> | 1,159,906 |

### (a) Retirement benefits – defined contribution plans

As stipulated by rules and regulations in Chinese Mainland, the Group contributes to a state-sponsored retirement plan for its employees in Chinese Mainland, which is a defined contribution plan. The Group and its employees contribute a certain percentage of the employees' basic wages/salary as specified by the local government, and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK\$1,500 per month.

During the year ended 31 December 2025, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK\$112,056,000 (2024: HK\$89,171,000). As at 31 December 2025, the Group was not entitled to any forfeited contributions to reduce its future contributions (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2024: four) directors whose emoluments are reflected in the analysis in Note 35.

The emoluments payable to the remaining one (2024: one) individuals are as follows:

|                                | <b>2025</b>     | 2024     |
|--------------------------------|-----------------|----------|
|                                | <b>HK\$'000</b> | HK\$'000 |
| Salaries                       | <b>960</b>      | 960      |
| Discretionary bonus            | <b>1,080</b>    | 1,080    |
| Contribution to pension scheme | <b>18</b>       | 18       |
|                                | <b>2,058</b>    | 2,058    |

The emoluments fell within the following bands:

|                                | <b>Number of individuals</b> |      |
|--------------------------------|------------------------------|------|
|                                | <b>2025</b>                  | 2024 |
| Emolument bands                |                              |      |
| HK\$1,000,001 to HK\$1,500,000 | –                            | –    |
| HK\$2,000,001 to HK\$2,500,000 | <b>1</b>                     | 1    |
|                                | <b>1</b>                     | 1    |

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

### (b) Five highest paid individuals (Continued)

#### *Accounting policy – Employee benefits*

##### **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 statement of financial position date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### **Pension obligations**

Group companies participate in several defined contribution plans. The plans are generally funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employment costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### **Profit-sharing and bonus plans**

The Group recognises a liability and an expense for bonuses and profit-sharing, taking into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 27 FINANCE INCOME/COSTS

|                                                 | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------------------------|------------------|------------------|
| <b>Finance income</b>                           |                  |                  |
| Interest income on bank deposits                | <b>26,161</b>    | 32,429           |
| <b>Finance costs</b>                            |                  |                  |
| Interest expense on:                            |                  |                  |
| Bank borrowings                                 | <b>104,315</b>   | 147,087          |
| Lease liabilities – factory and office premises | <b>4,510</b>     | 4,153            |
| Interest capitalised (Note)                     | <b>(8,196)</b>   | (30,101)         |
|                                                 | <b>100,629</b>   | 121,139          |

Note: The capitalisation rate used to determine the amount of borrowings costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year and in this case it is 4.69% (2024: 5.60%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 28 INCOME TAX EXPENSE

|                                         | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|-----------------------------------------|--------------------------------|------------------|
| Current taxation                        |                                |                  |
| – Chinese Mainland corporate income tax | <b>40,637</b>                  | 45,420           |
| – Vietnam corporate income tax          | <b>6,734</b>                   | 9,160            |
| – Mexico corporate income tax           | <b>11,512</b>                  | 2,460            |
| Over-provision in prior years           | <b>(10,758)</b>                | (23,644)         |
| Deferred income tax (Note 21)           | <b>(1,054)</b>                 | (517)            |
|                                         | <b>47,071</b>                  | 32,879           |

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the domestic tax rate applicable to profits/(losses) in the respective countries/places of business of the group entities, as follows:

|                                                                                                                                                  | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------|
| Profit before income tax                                                                                                                         | <b>291,698</b>                 | 276,386          |
| Tax calculated at domestic rates applicable to profits/ (losses) in the respective countries/places of business                                  | <b>57,436</b>                  | 30,595           |
| Income not subject to tax                                                                                                                        | <b>(7,948)</b>                 | (6,216)          |
| Expenses not deductible for tax purpose                                                                                                          | <b>30,080</b>                  | 55,768           |
| Tax concession                                                                                                                                   | <b>(22,901)</b>                | (25,343)         |
| Tax losses for which no deferred income tax assets were recognised (including recognition of previously unrecognised deferred income tax assets) | <b>1,252</b>                   | 1,719            |
| Over-provision in prior years                                                                                                                    | <b>(10,758)</b>                | (23,644)         |
| Tax charge                                                                                                                                       | <b>47,071</b>                  | 32,879           |

## 28 INCOME TAX EXPENSE (CONTINUED)

The weighted average applicable tax rate for the year ended 31 December 2025 was approximately 19.7% (2024: 11.1%). The decrease is primarily due to changes in the profitability of the subsidiaries in the respective jurisdictions of tax in the current year.

### (a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year (2024: 16.5%).

### (b) Chinese Mainland corporate income tax

Income tax of the subsidiaries of the Group established in Chinese Mainland has been provided at the following tax rates:

- (i) Provision for Chinese Mainland corporate income tax is calculated at the statutory rate of 25% (2024: 25%) on the assessable income of each of the Group's entities, except that certain subsidiaries of the Group operating in Chinese Mainland are eligible for certain tax exemptions and concessions including tax holiday and reduced income tax rate during the year.
- (ii) EVA Precision Industrial (Suzhou) Limited, Shenzhen EVA Mould Manufacturing Limited, Chongqing Digit Auto Body Ltd., Shenzhen EVA Precision Technology Group Limited, Zhongshan Digit Automotive Technology Limited, Yihe Plastic and Electronic Products (Shenzhen) Co., Ltd., Digit Stamping Technology (Wuhan) Limited, Shenzhen Huaxian Intelligent Technology Co., Ltd, Shenzhen Digit Automotive Technology Limited and EVA Precision Industrial (Weihai) Limited are each recognised by the Chinese Government as a "National High and New Technology Enterprise" and are therefore subject to a preferential tax rate of 15% during the years ended 31 December 2024 and 2025.

Under the Corporate Income Tax Law of Chinese Mainland, dividend distributions out of profit of foreign invested enterprises earned after January 2008 are subject to corporate withholding income tax at 10%, or at a reduced rate of 5% for subsidiaries of Hong Kong incorporated holding companies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 28 INCOME TAX EXPENSE (CONTINUED)

### (c) Other income taxes

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and, accordingly, is exempted from Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands are exempted from British Virgin Islands income tax.

The subsidiary established and operating in Vietnam is subjected to a preferential tax rate of 10% for the first 15 years from the year of commencing operations. It is also entitled to full exemption from corporate income tax for the first four years from the earlier of (i) the year when profit is generated for the first time or (ii) the fourth year of commencing operations; and a 50% reduction in corporate income tax for the next nine years. The Vietnam subsidiary of the Group was under 75% reduction in total from corporate income tax in Vietnam for the years ended 31 December 2024 and 2025.

Provision for Mexico Corporate income tax was calculated at the statutory rate of 30% for the years ended 31 December 2024 and 2025.

Provisions for income taxes in other jurisdictions are based on the assessable profits of the respective subsidiaries and the applicable tax rates.

### *Accounting policy – Current income tax*

Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 EARNINGS PER SHARE

#### Basic

|                                                                    | <b>2025</b>      | 2024      |
|--------------------------------------------------------------------|------------------|-----------|
| Profit attributable to equity holders of the Company<br>(HK\$'000) | <b>244,627</b>   | 243,507   |
| Weighted average number of ordinary shares in issue<br>('000)      | <b>1,730,438</b> | 1,740,920 |
| Basic earnings per share (HK cents per share)                      | <b>14.1</b>      | 14.0      |

#### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares (i.e. share options). A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual quoted share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The computation of the diluted earnings per share did not assure the exercise of the Company's outstanding share options as their exercise prices were higher than the average market price of the Company's shares for both years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 29 EARNINGS PER SHARE (CONTINUED)

### Accounting policy – earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account, the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 30 DIVIDENDS

|                                                                           | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------------------------------------------------------|--------------------------------|------------------|
| Interim dividend paid of HK2.33 cents<br>(2024: HK2.20 cents) per share   | <b>40,319</b>                  | 38,282           |
| Proposed final dividend of HK1.91 cents<br>(2024: HK2.00 cents) per share | <b>33,051</b>                  | 34,818           |
|                                                                           | <b>73,370</b>                  | 73,100           |

A final dividend in respect of the year ended 31 December 2025 of HK\$1.91 cents per share, totaling of HK\$33,051,000 has been proposed for approval at the forthcoming annual general meeting. These financial statements have not reflected this dividend payable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

|                                                     | <b>2025</b>      | 2024     |
|-----------------------------------------------------|------------------|----------|
|                                                     | <b>HK\$'000</b>  | HK\$'000 |
| Profit before income tax                            | <b>291,698</b>   | 276,386  |
| Adjustments for:                                    |                  |          |
| – Depreciation of property, plant and equipment     | <b>317,276</b>   | 273,667  |
| – Depreciation of right-of-use assets               | <b>30,737</b>    | 30,150   |
| – Amortisation of intangible assets                 | <b>289</b>       | 967      |
| – Loss on disposal of property, plant and equipment | <b>8,196</b>     | 12,148   |
| – Impairment loss on property, plant and equipment  | <b>–</b>         | 6,137    |
| – Gain on lease termination                         | <b>(474)</b>     | –        |
| – Share of profit/(loss) of associates              | <b>(2,404)</b>   | 7,593    |
| – Provision for inventory obsolescence              | <b>13,305</b>    | 7,697    |
| – Interest income                                   | <b>(26,161)</b>  | (32,429) |
| – Interest expense                                  | <b>100,629</b>   | 121,139  |
| Changes in working capital:                         |                  |          |
| – Inventories                                       | <b>(173,705)</b> | (6,780)  |
| – Trade and bills receivables                       | <b>29,673</b>    | 25,922   |
| – Prepayments, deposits and other receivables       | <b>(3,286)</b>   | 75,929   |
| – Trade payables                                    | <b>21,117</b>    | 17,451   |
| – Accruals and other payables                       | <b>66,204</b>    | 9,898    |
| – Contract liabilities                              | <b>33,904</b>    | 36,519   |
| Cash generated from operations                      | <b>707,034</b>   | 862,394  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

|                                                   | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|---------------------------------------------------|--------------------------------|------------------|
| Net book amount                                   | <b>20,532</b>                  | 16,485           |
| Loss on disposal of property, plant and equipment | <b>(8,196)</b>                 | (12,148)         |
| Proceeds                                          | <b>12,336</b>                  | 4,337            |

### Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

|                                               | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|-----------------------------------------------|--------------------------------|------------------|
| Cash and cash equivalents                     | <b>1,597,431</b>               | 1,738,949        |
| Lease liabilities – repayable within one year | <b>(27,791)</b>                | (20,741)         |
| Lease liabilities – repayable after one year  | <b>(72,456)</b>                | (63,014)         |
| Bank borrowings – repayable within one year   | <b>(1,112,425)</b>             | (847,599)        |
| Bank borrowings – repayable after one year    | <b>(1,051,387)</b>             | (1,436,900)      |
| Net debt                                      | <b>(666,628)</b>               | (629,305)        |
| Cash and liquid investments                   | <b>1,597,431</b>               | 1,738,949        |
| Gross debt – fixed interest rates             | <b>(100,247)</b>               | (83,755)         |
| Gross debt – variable interest rates          | <b>(2,163,812)</b>             | (2,284,499)      |
| Net debt                                      | <b>(666,628)</b>               | (629,305)        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### Net debt reconciliation (Continued)

|                                 | Liabilities from financing activities |                      |                    |                  |
|---------------------------------|---------------------------------------|----------------------|--------------------|------------------|
|                                 | Cash<br>and cash<br>equivalents       | Lease<br>liabilities | Bank<br>borrowings | Total            |
|                                 | HK\$'000                              | HK\$'000             | HK\$'000           | HK\$'000         |
| Net debt as at 1 January 2024   | 1,610,592                             | (74,843)             | (2,470,142)        | (934,393)        |
| Cash flows                      | 140,950                               | 24,433               | 187,143            | 352,526          |
| Interest accrual                | –                                     | –                    | (1,500)            | (1,500)          |
| Lease termination               | –                                     | (31,593)             | –                  | (31,593)         |
| Unwinding interest              | –                                     | (4,153)              | –                  | (4,153)          |
| Foreign exchange adjustments    | (12,593)                              | 2,401                | –                  | (10,192)         |
| Net debt as at 31 December 2024 | 1,738,949                             | (83,755)             | (2,284,499)        | (629,305)        |
| Cash flows                      | (154,774)                             | 26,674               | 125,430            | (2,670)          |
| Interest accrual                | –                                     | –                    | (4,743)            | (4,743)          |
| New leases                      | –                                     | (47,509)             | –                  | (47,509)         |
| Lease termination               | –                                     | 10,582               | –                  | 10,582           |
| Unwinding interest              | –                                     | (4,510)              | –                  | (4,510)          |
| Foreign exchange adjustments    | 13,256                                | (1,729)              | –                  | 11,527           |
| Net debt as at 31 December 2025 | <u>1,597,431</u>                      | <u>(100,247)</u>     | <u>(2,163,812)</u> | <u>(666,628)</u> |

## 32 CAPITAL COMMITMENTS

Capital expenditures at the end of the year contracted but not yet incurred are as follows:

|                                   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-----------------------------------|------------------|------------------|
| Contracted but not provided for   |                  |                  |
| – Construction of buildings       | 134,449          | 245,066          |
| – Purchase of plant and machinery | 90,541           | 50,031           |
|                                   | <u>224,990</u>   | <u>295,097</u>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 33 RELATED PARTY TRANSACTIONS

Zhang Hwo Jie and Zhang Yaohua, the Company's executive directors, have beneficial interests in Prosper Empire Limited, which owned 38.64% (2024: 38.70%) of the Company's shares as at 31 December 2025.

### (a) Key management compensation

|                                                  | <b>2025</b>     | 2024     |
|--------------------------------------------------|-----------------|----------|
|                                                  | <b>HK\$'000</b> | HK\$'000 |
| Salaries, allowances and bonus                   | <b>29,494</b>   | 26,850   |
| Retirement benefits – defined contribution plans | <b>104</b>      | 90       |
|                                                  | <b>29,598</b>   | 26,940   |

The following transactions were undertaken by the Group with related party. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

### (b) Balances with a related party

|                                                         | <b>2025</b>     | 2024     |
|---------------------------------------------------------|-----------------|----------|
|                                                         | <b>HK\$'000</b> | HK\$'000 |
| <b>Receivables from an associate</b>                    |                 |          |
| Austem Digital Model (Wuhan) Automotive Parts Co., Ltd. | <b>2,022</b>    | –        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

|                                              | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|----------------------------------------------|------------------|------------------|
| <b>ASSETS</b>                                |                  |                  |
| <b>Non-current assets</b>                    |                  |                  |
| Investments in subsidiaries                  | 123,358          | 123,358          |
| Amounts due from subsidiaries                | 1,373,250        | 1,479,179        |
|                                              | <u>1,496,608</u> | <u>1,602,537</u> |
| <b>Current assets</b>                        |                  |                  |
| Other receivables                            | 668              | 659              |
| Cash and cash equivalents                    | 641              | 1,220            |
|                                              | <u>1,309</u>     | <u>1,879</u>     |
| <b>LIABILITIES</b>                           |                  |                  |
| <b>Current liabilities</b>                   |                  |                  |
| Accruals and other payables                  | 91,150           | 99,302           |
| Bank borrowing                               | 127,500          | 142,500          |
|                                              | <u>218,650</u>   | <u>241,802</u>   |
| <b>Net current liabilities</b>               | <u>217,350</u>   | <u>239,923</u>   |
| <b>Total assets less current liabilities</b> | <u>1,279,258</u> | <u>1,362,614</u> |
| <b>Net assets</b>                            | <u>1,279,258</u> | <u>1,362,614</u> |
| <b>EQUITY</b>                                |                  |                  |
| <b>Capital and reserves</b>                  |                  |                  |
| Share capital                                | 173,044          | 174,092          |
| Reserves                                     | 1,106,224        | 1,188,522        |
| <b>Total equity</b>                          | <u>1,279,258</u> | <u>1,362,614</u> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 34 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Reserve movement of the Company:

|                                                                 | Share<br>premium<br>HK\$'000 | Contributed<br>surplus<br>(Note)<br>HK\$'000 | Capital<br>redemption<br>reserve<br>HK\$'000 | Share<br>options<br>reserve<br>HK\$'000 | Retained<br>Earnings<br>HK\$'000 | Total<br>HK\$'000 |
|-----------------------------------------------------------------|------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------|----------------------------------|-------------------|
| Balance at 1 January 2025                                       | 877,566                      | 121,351                                      | 40,061                                       | 13,587                                  | 135,957                          | 1,188,522         |
| Loss for the year                                               | -                            | -                                            | -                                            | -                                       | (454)                            | (454)             |
| Dividends paid                                                  | (34,608)                     | -                                            | -                                            | -                                       | (40,319)                         | (74,927)          |
| Premium on repurchase of shares                                 | (6,917)                      | -                                            | -                                            | -                                       | -                                | (6,917)           |
| Capital redemption reserve arising<br>from repurchase of shares | -                            | -                                            | 1,048                                        | -                                       | (1,048)                          | -                 |
| Balance at 31 December 2025                                     | <u>836,041</u>               | <u>121,351</u>                               | <u>41,109</u>                                | <u>13,587</u>                           | <u>94,136</u>                    | <u>1,106,224</u>  |
| Balance at 1 January 2024                                       | 950,474                      | 121,351                                      | 40,061                                       | 74,527                                  | 7,472                            | 1,193,885         |
| Profit for the year                                             | -                            | -                                            | -                                            | -                                       | 67,545                           | 67,545            |
| Dividends paid                                                  | (72,908)                     | -                                            | -                                            | -                                       | -                                | (72,908)          |
| Transfer to retained earnings upon<br>lapse of share options    | -                            | -                                            | -                                            | (60,940)                                | 60,940                           | -                 |
| Balance at 31 December 2024                                     | <u>877,566</u>               | <u>121,351</u>                               | <u>40,061</u>                                | <u>13,587</u>                           | <u>135,957</u>                   | <u>1,188,522</u>  |

Note: The contributed surplus of the Company represents the difference between the costs of investments in subsidiaries acquired pursuant to a reorganisation over the nominal value of the share capital of the Company issued in exchange therefor.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35 BENEFITS AND INTERESTS OF DIRECTORS

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

The remuneration of every director and the chief executive for the year ended 31 December 2025 is set out below:

| Name                                           | Fees<br>HK\$'000 | Salaries<br>HK\$'000 | Discretionary<br>bonus<br>HK\$'000 | Allowances<br>and benefits<br>in kind<br>HK\$'000 | Employer's<br>contribution<br>to a<br>retirement<br>benefit<br>scheme<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------------------------------|------------------|----------------------|------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------|-------------------|
| <b>Executive directors</b>                     |                  |                      |                                    |                                                   |                                                                                   |                   |
| Mr. Zhang Hwo Jie                              | -                | 6,720                | 2,720                              | -                                                 | 18                                                                                | 9,458             |
| Mr. Zhang Jian Hua (Note ii)                   | -                | 3,840                | 1,000                              | -                                                 | 18                                                                                | 4,858             |
| Mr. Zhang Yaohua (Note i)                      | -                | 6,720                | 2,720                              | -                                                 | 18                                                                                | 9,458             |
| Ms. Zhang Yan Yi                               | -                | 600                  | 1,550                              | -                                                 | 18                                                                                | 2,168             |
| <b>Independent<br/>non-executive directors</b> |                  |                      |                                    |                                                   |                                                                                   |                   |
| Mr. Lam Hiu Lo                                 | 160              | -                    | -                                  | -                                                 | -                                                                                 | 160               |
| Dr. Chai Ngai Chiu Sunny                       | 160              | -                    | -                                  | -                                                 | -                                                                                 | 160               |
| Ms. Ling Kit Sum                               | 160              | -                    | -                                  | -                                                 | -                                                                                 | 160               |
|                                                | <b>480</b>       | <b>17,880</b>        | <b>7,990</b>                       | <b>-</b>                                          | <b>72</b>                                                                         | <b>26,422</b>     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

### (a) Directors' and chief executive's emoluments (Continued)

The remuneration of every director and the chief executive for the year ended 31 December 2024 is set out below:

| Name                                           | Fees<br>HK\$'000 | Salaries<br>HK\$'000 | Discretionary<br>bonus<br>HK\$'000 | Allowances<br>and benefits<br>in kind<br>HK\$'000 | Employer's<br>contribution<br>to a<br>retirement<br>benefit<br>scheme<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------------------------------|------------------|----------------------|------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------|-------------------|
| <b>Executive directors</b>                     |                  |                      |                                    |                                                   |                                                                                   |                   |
| Mr. Zhang Hwo Jie                              | –                | 5,760                | 2,480                              | –                                                 | 18                                                                                | 8,258             |
| Mr. Zhang Jian Hua (Note ii)                   | –                | 5,760                | 1,480                              | –                                                 | 18                                                                                | 7,258             |
| Mr. Zhang Yaohua (Note i)                      | –                | 5,760                | 2,480                              | –                                                 | 18                                                                                | 8,258             |
| Ms. Zhang Yan Yi                               | –                | 600                  | 1,050                              | –                                                 | 18                                                                                | 1,668             |
| <b>Independent<br/>non-executive directors</b> |                  |                      |                                    |                                                   |                                                                                   |                   |
| Mr. Lam Hiu Lo                                 | 160              | –                    | –                                  | –                                                 | –                                                                                 | 160               |
| Dr. Chai Ngai Chiu Sunny                       | 160              | –                    | –                                  | –                                                 | –                                                                                 | 160               |
| Ms. Ling Kit Sum                               | 160              | –                    | –                                  | –                                                 | –                                                                                 | 160               |
|                                                | <u>480</u>       | <u>17,880</u>        | <u>7,490</u>                       | <u>–</u>                                          | <u>72</u>                                                                         | <u>25,922</u>     |

Note:

- (i) Zhang Yaohua is also the Chief Executive of the Group.
- (ii) Zhang Jian Hua ceased as an executive director on 27 August 2025.

## 35 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

### (a) Directors' and chief executive's emoluments (Continued)

None of the directors waived or agreed to waive any emoluments paid/payable by the Group during the year (2024: Nil).

During the year, no emoluments, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2024: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2024: Nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2024: Nil).

No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2024: Nil).

## 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

### 36.1 Principles of consolidation and equity accounting

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December 2025.

#### (a) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 36.1 Principles of consolidation and equity accounting (Continued)

##### (b) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group hold a between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting after initially being recognised at cost.

##### (c) *Equity method*

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'Share of loss of associates' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Financial information reported by the associate has been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in an associate are recognized in profit or loss.

## 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 36.2 Changes in ownership interests

When the Group ceases to have control, any retained interests in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified by applicable HKFRSs where appropriate.

### 36.3 Separate financial statements

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

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

### 36.4 Segment reporting

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

### 36.5 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 36.5 Non-current assets (or disposal groups) held for sale (Continued)

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

#### 36.6 Foreign currency translation

##### (a) *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 HK\$, which is the Company's functional and the Group's presentation currency.

##### (b) *Transactions and balances*

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

Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'Other gains/(losses) – net'.

Translation differences on non-monetary financial assets, such as equities classified as financial assets at FVOCI, are included in other comprehensive income.

##### (c) *Group companies*

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

## 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 36.6 Foreign currency translation (Continued)

#### (c) *Group companies* (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

#### (d) *Disposal of foreign operation and partial disposal*

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that include a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interest and are not recognised in profit or loss. For all other partial disposals (that is, reduction in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 36.7 Intangible assets

##### (a) *Goodwill*

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

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 entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

##### (b) *Software*

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits

## 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 36.7 Intangible assets (Continued)

#### (b) *Software* (Continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost of source codes over their estimated useful lives of five years.

### 36.8 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, are tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 36.9 Fair value of financial assets at FVOCI

The fair value of financial assets at FVOCI that is not traded in an active market is determined by using valuation techniques including income approach, asset-based approach or market approach. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 36.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 36.11 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

#### 36.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group entity purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled.

#### 36.13 Trade payables, accruals and other payables

These amounts represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 36.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value 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 removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

### 36.15 Borrowing costs

General and specific 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 added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowings costs are recognised in profit or loss in the period in which they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 36.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

#### 36.17 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### 36.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of plant and equipment and land use right (which is grouped as right-of-use assets) are initially included in liabilities as deferred government grants and when such plant and equipment and land use right are built or purchased, the received government grants are netted off with carrying value of the related assets.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 36.19 Interest income

Interest income is presented as finance income (Note 27) where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### 36.20 Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

# FIVE YEARS FINANCIAL SUMMARY

|                                                         | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
|---------------------------------------------------------|--------------------------------|------------------|------------------|------------------|------------------|
| <b>CONSOLIDATED RESULTS</b>                             |                                |                  |                  |                  |                  |
| Turnover                                                | <b><u>6,027,820</u></b>        | <u>6,296,926</u> | <u>6,182,658</u> | <u>6,268,065</u> | <u>5,108,777</u> |
| Profit attributable to equity holders<br>of the Company | <b><u>244,627</u></b>          | <u>243,507</u>   | <u>237,095</u>   | <u>206,017</u>   | <u>155,190</u>   |
| <b>CONSOLIDATED<br/>BALANCE SHEET</b>                   |                                |                  |                  |                  |                  |
| Non-current assets                                      | <b>3,328,551</b>               | 3,162,656        | 3,121,503        | 2,959,919        | 2,931,918        |
| Current assets                                          | <b>4,371,174</b>               | 4,312,043        | 4,318,676        | 4,296,853        | 3,641,718        |
| Current liabilities                                     | <b>(3,223,093)</b>             | (2,811,638)      | (3,039,752)      | (2,859,486)      | (3,255,991)      |
| Non-current liabilities                                 | <b>(1,141,859)</b>             | (1,521,140)      | (1,402,713)      | (1,558,882)      | (559,204)        |
| Net assets                                              | <b><u>3,334,773</u></b>        | <u>3,141,921</u> | <u>2,997,714</u> | <u>2,838,404</u> | <u>2,788,441</u> |
| Share capital                                           | <b>173,044</b>                 | 174,092          | 174,092          | 174,092          | 174,912          |
| Reserves                                                | <b><u>3,161,729</u></b>        | <u>2,967,829</u> | <u>2,823,622</u> | <u>2,664,312</u> | <u>2,613,529</u> |
| Total equity                                            | <b><u>3,334,773</u></b>        | <u>3,141,921</u> | <u>2,997,714</u> | <u>2,838,404</u> | <u>2,788,441</u> |

# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. Zhang Hwo Jie (*Chairman*)  
Mr. Zhang Yaohua (*Chief Executive Officer*)  
Ms. Zhang Yan Yi

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Hiu Lo  
Dr. Chai Ngai Chiu Sunny  
Ms. Ling Kit Sum

## AUDIT COMMITTEE

Ms. Ling Kit Sum (*Chairman*)  
Mr. Lam Hiu Lo  
Dr. Chai Ngai Chiu Sunny

## NOMINATION COMMITTEE

Mr. Zhang Hwo Jie (*Chairman*)  
Mr. Lam Hiu Lo  
Dr. Chai Ngai Chiu Sunny  
Ms. Ling Kit Sum

## REMUNERATION COMMITTEE

Mr. Lam Hiu Lo (*Chairman*)  
Mr. Zhang Hwo Jie  
Dr. Chai Ngai Chiu Sunny

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## COMPANY SECRETARY

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## AUTHORISED REPRESENTATIVES

Mr. Zhang Hwo Jie  
Ms. Lee Hiu Laam Joyce

## STOCK CODE

838

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### Hong Kong

Bank of China (Hong Kong) Limited  
Bank of Shanghai (Hong Kong) Limited  
China Construction Bank Corporation Limited  
Hong Kong Branch  
Dah Sing Bank, Limited  
DBS Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
Luso International Banking Limited  
United Overseas Bank Limited

# CORPORATE INFORMATION

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MinterEllison LLP

## AUDITOR

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