

CCT FORTIS

中建富通集團有限公司

Stock Code : 138

ANNUAL REPORT 2025

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Chairman's Statement

On behalf of the Board, I report the annual results of the Group for the year ended 31 December 2025.

ANNUAL RESULTS

In 2025, the global economy continues to face multiple challenges, including slowing growth, uncertainty in trade policies, geopolitical tensions, and persistent inflationary pressures. Despite Hong Kong's economy has benefited from the continued recovery in tourism and increased financial services activity, this growth is only concentrated in certain industries which is still uneven. In the face of cautious market sentiment, the Group achieved growth in revenue during the year, which contributed to a narrowing of losses. The net loss attributable to owners of the Company improved by approximately 17.4% to approximately HK$327 million, as compared to net loss attributable to owners of the Company of approximately HK$396 million in 2024, reflecting an improvement in the Group's overall loss performance. The loss for the current year was mainly attributable to the impairment loss of promissory note receivable and assets of disposal groups held for sales, fair value loss on investment in a film as well as elevated borrowing expenses.

FINAL DIVIDEND

In light of the current adverse situation, the Group intends to conserve cash resources to combat the difficulties and challenges going forward. Therefore, the Board did not recommend the payment of a final dividend for 2025 (2024 final dividend: Nil). The Company did not pay any interim dividend for 2025 (2024 interim dividend: Nil).

BUSINESS REVIEW

In 2025, the Group was principally engaged in (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business and investments in valuable collections; and (iv) cultural entertainment business.

PROPERTY BUSINESS

Hong Kong property business

Hong Kong's property market, especially residential market, is experiencing a recovery in 2025. Such recovery is mainly driven by lower interest rate, relaxed transaction restrictions and increased demand. It is anticipated that the property market will gradual recovery continuously resulted from the expected further interest rate cut.

SECURITIES BUSINESS

During the year ended 31 December 2025, to conserve cash and reduce risk, the Company did not trade in any listed shares or securities in the stock market. Indeed, our securities business received steady interest income on promissory note receivable during the year.

BLACKBIRD GROUP

The Blackbird Group, under the leadership of its chairman and chief executive officer ("**CEO**"), Mr. MAK Chun Kiu ("**Mr. TK Mak**"), is principally engaged in (i) the official importership and dealership of Ferrari in Hong Kong and Macau, including the repair and servicing business; (ii) the official importership and dealership of Maserati in Hong Kong and Macau, also including the repair and servicing business; (iii) valuable collections trading and investment business; and (iv) car logistics business. Despite the environment which continues to be challenging, the management is satisfied with the continuing development of the Blackbird Group's multi-faceted automotive operations.

Ferrari business

Blackbird Concessionaires, the group's Ferrari importership for Hong Kong & Macau enjoyed significant growth for the full year of 2025, closing the year with some of its best commercial KPI results to date, further cementing the ongoing collaboration between the two companies.

Fueled by models such as the adrenaline-rushing carbon fibre equipped Ferrari 296 Speciale and the newly unveiled Amalfi and 849 Testarossa family, the Blackbird Concessionaires business enjoyed a 66% increase in new car orders for the year, alongside an increase of 30% in vehicle deliveries. After the Amalfi's incredible global debut in the world famous coastline of its namesake in Italy, Hong Kong saw the regional launch of the car in another potential world first — a live unveiling of the nautical inspired car in Q4 2025 on top of a 200ft luxury megayacht alongside 100 of the brand's VIPs as it sailed around Hong Kong's Victoria Harbour. This incredible spectacle, covered in media both in Hong Kong and around the world resulted in a robust sales, and further cemented Blackbird's commitment to continuing to set milestone moments for the Ferrari brand in Hong Kong. The business' Ferrari approved pre-owned strategy also begun to bear fruit, with increased margins and sales result from 2024, driven by strong secondary market demand and trading along with factory-backed warranties provided with every Ferrari approved transaction.

Personalisation, one of the traditional indicators of demand and a healthy Ferrari market is also on the rise, with full year results showing an increase in the average of optional extras delivered on cars, and double the amount of the tailor made appointments for both the Shanghai and Maranello ateliers — a specially crafted design studio where visitors can imagine and visualize an entirely custom one-off specification for their car with a designer at the Ferrari factory.

Another key global statistic introduced by Ferrari in the full year of 2025 was the ratio of "new to brand" clients, which closed the year in Hong Kong and Macau representing 46% of all new car sales in 2025 and 70% of pre-owned car sales. This important new commercial KPI ensures that while traditional legacy customers of the brand are nurtured and maintained, there is a strong focus on the entire global dealer network on continuing to develop a new generation of first-time buyers and Ferraristi to ensure the longevity and continuity of the market. Strong growth in new to brand owners is further boosted by the ever-expanding experiences programme that is available exclusively to Ferrari owners, from unique regional driving tours, world premieres, and visits to the Formula 1 Grand Prix, where Hong Kong hosted 25 attendees to this year in Singapore, representing the largest foreign territory represented there.

Blackbird's Ferrari technical service team and after-sales business in Kwai Chung also managed to close a strong full year result, increasing parts sales performance by 11.4% along with its power warranty goals by over 7%. Further commercial improvement is expected with the service business as new programmes are introduced for the coming year.

As the new year looms with a schedule of no less than four exciting new Ferrari vehicle launches, including the local presentation and launch of the outrageous 1,050hp 849 Testarossa and increasingly upwards trending commercial results, Blackbird and Ferrari's partnership remains steadfast as both entities continue to implement its multi-year strategy and plan to drive its market share advantage and maximise commercial returns in this fast evolving space.

Maserati business

Blackbird Tridente, the Group's exclusive Maserati importership for Hong Kong & Macau, delivered steady sales performance in 2025, supported by resilient demand for the Grecale. The year also saw the start of GranTurismo Trofeo deliveries, further reinforcing Maserati's high performance brand image in Hong Kong and Macau.

Profitability improved, with new vehicle gross profit margin rising from 5.31% in the 1st half of 2025 to 11.27% in the 2nd half of 2025, reflecting a stronger model mix and disciplined commercial execution. In addition, Blackbird Tridente expanded its presence in Macau by participating in a major roadshow, enhancing brand visibility and creating new opportunities to grow its customer base in the territory.

Valuable collections trading and investment business

In the year of 2025, the classic and investment car business continued to be affected by a slow global market. However, the management remains cautiously optimistic regarding the long-term improvement of the classic car trading environment. The Company will continue to monitor market trends to benefit from both sales and investment opportunities.

The Watch Manual division is well-established through its print publication and online platforms. It continued its collaborations with a number of key brands on editorial partnerships and consultancies, including hosting VIP gatherings. Its print publication has important visibility in Hong Kong and internationally, and will be available to attendees at the 2026 Watches & Wonders Geneva fair. It continues with prestigious brand partnerships, while garnering interest from new brands for the upcoming issues of the print publication. Mr. TK Mak, the chairman and the CEO of the Blackbird Group, continues on the watch advisory board for the Phillips auction house.

Car logistics business

To simplify organisational structure and streamline its business operations so as to focus resources on development of its principal business operations, on 31 December 2025, the Group entered into the agreement to dispose 95% of the issued share capital of Blackbird Works Supply Co. Limited ("**Blackbird Works Supply**"), a company principally engaged in provision of car towing and logistics services in Hong Kong, for a consideration of HK$17,100,000. The disposal was completed on 31 December 2025. Upon completion, the Group retains only a 5% equity interest in Blackbird Works Supply. As a result, the financial results of Blackbird Works Supply will no longer be consolidated into the Group.

CULTURAL ENTERTAINMENT BUSINESS

After the disposal of associates which engaged in stage audio and lighting and stage engineering operations on 28 February 2025, film operations become the Group's sole remaining business under the cultural entertainment segment. The Group has invested in the large scale crime thriller film entitled "Sons of the Neon Night" (風林火山) together with other companies and the film has been officially released in cinemas in Hong Kong, mainland China, Taiwan and Malaysia starting in October 2025. Due to lower-than-expected box office performance, the loss on investment in a film was incurred. The net box office proceeds are expected to be received in the first half of 2026.

OUTLOOK

The year of 2026 is expected to remain uncertain and challenging due to trade fragmentation, stubborn inflation and recent heightened geopolitical conflict. Both global and local economies remain fragile. Despite the current challenging environment, Blackbird's Ferrari business, as a sole official Ferrari importer in Hong Kong and Macau, continues to perform well and win a round of applause. We are committed to continuing to build up and grow the Blackbird Automotive Group to become one of the global leaders in the automotive sector in the near future.

Looking forward, we will stay alert on the rapid changing environment, remain prudent in financial management and continue our on-going cost savings initiatives. We will retain our strength and lay the groundwork for the recovery to come. With our resilient and experienced management, we consider that we can withstand the impact caused by these unprecedented challenges. We will try to turn risks into opportunities and continue to pursue our core strategy of achieving long-term sustainable growth for the Company and enhancing long-term values to the Shareholders.

APPRECIATION

On behalf of the Board, I would like to express sincere gratitude and appreciation to the Directors, management and all employees for their dedication, loyalty and hard work to meet the challenges during the year. Furthermore, I am most grateful to our customers, the Shareholders, investors, bankers, landlords and suppliers for their continued encouragement and strong support to the Group throughout these unprecedented times.

MAK Shiu Tong, Clement
Chairman

Hong Kong, 30 March 2026

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. MAK Shiu Tong, Clement, aged 72, is the controlling Shareholder and has acted as the Chairman, the CEO and an executive Director since January 1994. Mr. Mak is a member of the Remuneration Committee, and the chairman and a member of the Nomination Committee. Mr. Mak is also a director of certain subsidiaries of the Company. Mr. Mak is responsible for the corporate planning and strategic direction of the Group and takes a leading role in managing the businesses of the Group. Mr. Mak has over 49 years of experience in the manufacture and distribution of telecom, electronic and high intelligence products. Mr. Mak also has extensive experience in diversified businesses, including capital investment and operations, investment in telecommunication network, property development and investment business in Hong Kong and China, finance business and electric vehicle business. In his many years in the businesses, Mr. Mak has demonstrated a keen understanding in the diversified businesses in which the Group is engaged. Mr. Mak was the chairman, the chief executive officer and an executive director of GBA Holdings Limited (stock code: 261) from 14 August 2002 to 20 May 2022, the shares of which are listed on the main board of the Stock Exchange. Mr. Mak holds a Diploma in Electrical Engineering.

Ms. CHENG Yuk Ching, Flora, aged 72, has been appointed as an executive Director since February 1998. Ms. Cheng is the deputy chairman of the Company and a member of the Remuneration Committee and the Nomination Committee. Ms. Cheng is also a director of certain subsidiaries of the Company. Ms. Cheng assists the CEO in overseeing the day-to-day management of the principal businesses of the Group. Ms. Cheng has over 45 years of experience in the electronics industry and substantial experience in diversified businesses. Ms. Cheng held senior positions in various well- known electronics companies before she joined the Company. Ms. Cheng was an executive director and the deputy chairman of GBA Holdings Limited (stock code: 261) from 14 August 2002 to 20 May 2022, the shares of which are listed on the main board of the Stock Exchange. Ms. Cheng holds a Diploma in Business Administration.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Li, aged 61, has been appointed as an INED since February 2008. Mr. Chen is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Chen held a number of senior positions in several reputable telecommunications companies and a conglomerate in China. Mr. Chen graduated from the faculty of physics in a university in China in 1985 with a profession in radio technology and has extensive experience in the Chinese telecommunications and management field.

Mr. CHOW Siu Ngor, aged 70, has been appointed as an INED since March 2013. Mr. Chow is the chairman and a member of the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee. Mr. Chow had been appointed as an independent non-executive director of GBA Holdings Limited (stock code: 261), the shares of which are listed on the main board of the Stock Exchange, from 14 August 2002 to 31 July 2022 and REXLot Holdings Limited* ("**REXLot**" delisted on 10 May 2021 with previous stock code: 555) from 14 October 2004 to 10 May 2021. Mr. Chow is a practising solicitor in Hong Kong and is currently a senior consultant with Messrs. King & Wood. Mr. Chow graduated from The Chinese University of Hong Kong in 1981 with an Honours Degree in Social Science. Mr. Chow then obtained an Honours Degree in Laws from the University of Birmingham in 1987. Mr. Chow was admitted as a solicitor of the Supreme Court of Hong Kong in 1990 and has been in private practice since then.

* According to the REXLot regulatory announcement dated 5 December 2022 (the "**REXLot Regulatory Announcement**"), Mr. Chow had been publicly criticised by the Stock Exchange for relevant matters during the period when he served as an independent non-executive director of REXLot in relation to his breach of Rule 3.08 of the Listing Rules and his Declaration and Undertaking with regards to Directors given to the Stock Exchange in the form set out in previous Appendix 5B to the Listing Rules, for failing to comply with the Listing Rules to the best of his ability and to use his best endeavours to ensure that REXLot had adequate and effective internal controls and to procure REXLot's compliance with the Listing Rules. Among other things, Mr. Chow and the other relevant directors of REXLot had failed to adequately safeguard REXLot's investments and caused delay in publishing the outstanding results and reports of REXLot due to lack of proactivity and diligence on their part (the "**REXLot Criticism**"). Further information on the disciplinary action and the findings of the Stock Exchange were set out in the REXLot Regulatory Announcement. As a result, as a prerequisite to any future appointment of Mr. Chow as a director of any company listed or to be listed on the Stock Exchange, Mr. Chow was required to attend and complete 18 hours of training on regulatory and legal topics including Listing Rules compliance before the effective date of such future appointment (the "**Appointment Prerequisite**"). Furthermore, during Mr. Chow's tenure as a director of REXLot, the Court granted an order (the "**REXLot Winding Up Order**") for the winding up of REXLot on 20 August 2020 and liquidators were appointed on 27 August 2020. The REXLot Winding Up Order was made upon a winding up petition filed on 9 March 2020 (which was subsequently amended on 21 August 2020) on the ground that REXLot was insolvent and unable to pay its debts. To the best knowledge, information and belief of Mr. Chow, REXLot had lodged an appeal against the REXLot Winding Up Order on 18 September 2020 and no date had been fixed for the hearing of the appeal as at the date of the Company's announcement dated 16 March 2023. REXLot is not related to the Group and Mr. Chow confirmed that he is not a party to the winding up proceedings of REXLot, and is not aware of any actual or potential claim that has been or will be made against him as a result.

The Board (other than Mr. Chow) is of the view of that there is no evidence that the REXLot Criticism involved the relevant act of dishonesty, fraud or cast doubt on Mr. Chow's integrity which would affect Mr. Chow's suitability as a Director. Mr. Chow has met the Appointment Prerequisite and is still suitable to serve as an INED.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. LAU Ho Kit, Ivan, aged 67, has been appointed as an INED since June 2022. Mr. Lau is the chairman and a member of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee. Mr. Lau has extensive experience in accounting and financial management.

Mr. Lau had been appointed as an independent non-executive director of Singamas Container Holdings Limited (stock code: 716) from 1 March 2011 to 26 June 2024 and GBA Holdings Limited (stock code: 261) from 14 August 2002 to 9 June 2022 respectively, the shares of which are listed on the main board of the Stock Exchange. Mr. Lau is a practicing accountant in Hong Kong. Mr. Lau holds a Master's Degree in Professional Accounting and is a member of the Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales.

SENIOR MANAGEMENT

Mr. MAK Chun Kiu, TK ("**Mr. TK Mak**"), aged 46, is the chief executive officer of the Blackbird Group. After founding the multi-award winning publishing company in the late 1990's, Mr. TK Mak built the magazine "Milk" to become one of the best-selling and most influential weekly lifestyle titles in Hong Kong and the region, expanding his publishing business into China and Taiwan. With over 25 years of experience in the media and publishing as well as the luxury goods retailing industry as a chairman and the chief executive officer, alongside other ventures in fashion, online retail, via his multimedia creative agency, leveraging his extensive experience and long history with various luxury sports car manufacturers in the world, Mr. TK Mak founded the Blackbird Group. Mr. TK Mak's responsibility is to oversee the overall management, strategic direction, planning and growth of the Blackbird Group. Mr. TK Mak is the elder son of Mr. Mak, the Chairman, the CEO, an executive Director and the controlling Shareholder.

Financial Review

OVERVIEW OF 2025 ANNUAL FINANCIAL RESULTS

HK$ million	2025	2024 (Restated)	% increase/ (decrease)
Continuing operations:			
Revenue	**606**	530	14.3%
Gross profit	**98**	116	(15.5%)
Loss from continuing operations	**(320)**	(399)	(19.8%)
(Loss)/profit from discontinued operations	**(7)**	3	(333.3%)
Loss for the year	**(327)**	(396)	(17.4%)
Attributable to:			
Owners of the Company			
Continuing operations	**(320)**	(399)	(19.8%)
Discontinued operations	**(7)**	3	(333.3%)
	(327)	(396)	(17.4%)
Basic and diluted (loss)/earnings per share attributable to ordinary equity holders of the Company			
— From continuing and discontinued operations	**(HK$2.04)**	(HK$2.47)	(17.4%)
— From continuing operations	**(HK$2.00)**	(HK$2.49)	(19.7%)
— From discontinued operations	**(HK$0.04)**	HK$0.02	(300.0%)
Dividend per share	**Nil**	Nil	N/A

The Group's revenue from continuing operations for 2025 of approximately HK$606 million. An increase of approximately HK$76 million or approximately 14.3%, which was mainly driven by the incremental revenue stream contributed by Ferrari business.

In 2025, the Group recorded a net loss attributable to owners of the Company of approximately HK$327 million as compared with a net loss of approximately HK$396 million in 2024. This slightly improvement in financial performance was mainly due to the costs control measures successfully carried out during the year, which lead to the decrease in administrative expenses by approximately HK$51 million in the current year.

The current year's loss was mainly derived from non-cash fair value loss on investment in a film, impairment loss of promissory note receivable and assets of disposal groups classified as held for sale of approximately HK$64 million, approximately HK$5 million and approximately HK$79 million respectively.

ANALYSIS BY BUSINESS SEGMENT

	Revenue				
	2025		2024 (Restated)		% increase/ (decrease)
HK$ million	**Amount**	**Relative %**	Amount	Relative %	
Continuing operations:					
Property investment and holding	**2**	**0.3%**	6	1.0%	(66.7%)
Securities business	**–***	**–**	–*	–	–
Ferrari business	**551**	**83.6%**	420	72.7%	31.2%
Maserati business	**41**	**6.2%**	61	10.6%	(32.8%)
Valuable collections business	**–***	**–**	3	0.5%	100%
Other operations	**12**	**1.8%**	40	6.9%	(70.0%)
Total for continuing operations	**606**	**91.9%**	530	91.7%	14.3%
Discontinued operations:					
Logistics business	**53**	**8.1%**	48	8.3%	10.4%
Total	**659**	**100%**	578	100.0%	14.0%

* Less than HK$1 million

	Operating (loss)/profit		
HK$ million	**2025**	2024 (Restated)	% increase/ (decrease)
Continuing operations:			
Property investment and holding	**(88)**	(121)	(27.3%)
Securities business	**3**	(4)	175.0%
Ferrari business	**11**	10	10.0%
Maserati business	**(4)**	(15)	(73.3%)
Valuable collections business	**7**	(55)	112.7%
Cultural entertainment business	**(64)**	(1)	6,300.0%
Other operations	**(15)**	(29)	(48.3%)
Total for continuing operations	**(150)**	(215)	(30.2%)
Discontinued operations:			
Logistics business	**4**	3	33.3%
Total	**(146)**	(212)	(31.1%)

CONTINUING OPERATIONS

Property investment and holding

Due to the disposal of certain properties through sale of subsidiaries engaged in property investment in 2024 and early termination of lease due to liquidation of tenant, rental income was reduced by approximately 66.7% to approximately HK$2 million. This segment recorded operating loss of approximately HK$88 million as compared with operating loss of approximately HK$121 million in the previous year. The operating loss in 2025 and 2024 was primarily attributable to unrealised losses arising from fair value changes of our investment properties and properties being classified as assets of disposal groups held for sale, which amounted to approximately HK$1 million and approximately HK$79 million respectively.

Securities business

In 2025, the securities business contributed interest income on promissory note receivable of approximately HK$7 million. This segment recorded an operating profit of approximately HK$3 million as compared with operating loss of approximately HK$4 million in the previous year. Due to the reduce in the non-cash credit losses against promissory note receivable by approximately 54.5% to approximately HK$5 million in 2025 as compared to approximately HK$11 million in 2024, the operating profit was achieved in this segment in 2025.

Ferrari business

In 2025, supported by the strong performance of the Ferrari service centre in Kwai Chung, the Ferrari business achieved revenue of approximately HK$551 million, compared to approximately HK$420 million in the previous year. The Ferrari business's operating profit was approximately HK$11 million, which was nearly the same as that of 2024.

Maserati business

In 2025, the revenue from Maserati business declined by approximately 32.8% to approximately HK$41 million as compared to approximately HK$61 million in the previous year. Due to the cost control carried out during the year, the Maserati business's operating loss was narrowed to approximately HK$4 million as compared with approximately HK$15 million in the previous year.

Valuable collections business

In 2025, the revenue from valuable collections business decreased by 100% to less than HK$1 million as compared to approximately HK$3 million in previous year. Due to the unrealized gain arising from fair value changes on valuable collections held for investments amounted to approximately HK$25 million in current year, the business achieved an operating profit of approximately HK$7 million compared to an operating loss of approximately HK$55 million incurred in previous year.

Cultural entertainment business

After the disposal of investment which engaged in stage audio and lighting and stage engineering operations on 28 February 2025, film operations become the Group's sole business under the cultural entertainment segment. No revenue from film operations was recorded in 2025 and 2024. Due to lower-than-expected box office performance on the film investment which has been officially released in cinemas starting in October 2025, the fair value loss on investment in a film of approximately HK$64 million was incurred. As a result, an operating loss was increased significantly from approximately HK$1 million in 2024 to approximately HK$64 million in 2025 in this segment.

Other operations

Other operations mainly comprise the classic car services center, the multimedia business, and other new ventures in the development and start-up stage. To streamline the Group's operations and enable a more focused allocation resources to its core business, the non-profitable multimedia business was disposed in June 2024, resulting in approximately 70.0% decrease in revenue to approximately HK$12 million and narrowing of operating loss to approximately HK$15 million in 2025.

DISCONTINUED OPERATIONS

Logistics business

In 2025, the revenue from logistics business increased by approximately 10.4% to approximately HK$53 million as compared to approximately HK$48 million in previous year. Operating profit was approximately HK$4 million as compared to approximately HK$3 million in previous year.

ANALYSIS BY GEOGRAPHICAL SEGMENT

	Revenue								
	2025				2024 (Restated)				
HK$ million	**Continuing operations**	**Discontinued operations**	**Total**	**Relative %**	Continuing operations	Discontinued operations	Total	Relative %	% increase/ (decrease)
Hong Kong, Macau and Mainland	**606**	**53**	**659**	**100%**	528	48	576	99.7%	14.4%
Rest of the world	**–***	**–**	**–***	**–**	2	–	2	0.3%	(100.0%)
Total	**606**	**53**	**659**	**100%**	530	48	578	100.0%	14.0%

* Less than HK$1 million

Approximately 100% of our total revenue was generated in Hong Kong, Macau and the Mainland, of which most of our revenue was generated in Hong Kong. The revenue from our major market regions was approximately HK$659 million, an increase of approximately HK$83 million or approximately 14.4% compared to 2024. The revenue from rest of the world represented mainly sale of valuable collections to the overseas markets.

CAPITAL STRUCTURE AND GEARING RATIO

HK$ million	2025 Amount	2025 Relative %	2024 Amount	2024 Relative %
Bank borrowings	**1,106**	**52.3%**	1,172	51.5%
Other borrowings	**501**	**23.7%**	261	11.5%
Lease liabilities	**54**	**2.6%**	43	1.9%
Convertible bonds	**88**	**4.2%**	96	4.2%
Bank borrowings directly associated with assets classified as held for sale	**5**	**0.2%**	33	1.4%
Total borrowings	**1,754**	**83.0%**	1,605	70.5%
Equity attributable to owners of the Company	**358**	**17.0%**	672	29.5%
Total capital employed	**2,112**	**100%**	2,277	100.0%

Equity attributable to owners of the Company as at 31 December 2025 was approximately HK$358 million, representing a decrease of approximately HK$314 million compared with approximately HK$672 million at the beginning of the year 2025. This change was primarily attributable to the net loss attributable to owners of the Company for 2025, offset in part by the other comprehensive income of revaluation of leasehold land and buildings, which amounted to approximately HK$14 million.

The Group's gearing ratio slightly increased from approximately 70.5% as at 31 December 2024 to approximately 83.0% as at 31 December 2025, driven mainly by the decrease in equity.

Total outstanding borrowings were approximately HK$1,754 million (2024: HK$1,605 million). Approximately 35.7% of these borrowings were of short-term nature, primarily representing revolving loans and mortgage loans on properties held by the Group.

As at 31 December 2025, the maturity profile of the bank and other borrowings and convertible bonds of the Group falling due within one (1) year, in the second (2nd) to the fifth (5th) year and beyond five (5) years amounted to HK$626 million, HK$960 million and HK$168 million respectively (2024: HK$1,591 million, HK$14 million and nil respectively). There was no material effect of seasonality on the Group's borrowing requirements.

LIQUIDITY AND FINANCIAL RESOURCES

HK$ million	2025	2024
Current assets	**823**	950
Current liabilities	**1,014**	(2,100)
Net current liabilities	**(191)**	(1,150)

The Group's net current liabilities as at 31 December 2025 was approximately HK$191 million, a decrease of approximately HK$959 million. The decrease was primarily due to the reclassification of certain bank and other borrowings from current liabilities to non-current liabilities. During the year, the Group obtained a waiver for non-compliance with a financial covenant related to approximately HK$1,045 million in bank borrowings, valid until 31 December 2026. Of these borrowings, approximately HK$828 million, repayable over one (1) year, is classified as non-current liabilities as of 31 December 2025 while those borrowings repayable over one (1) year of approximately HK$709 million was classified as current liabilities as of 31 December 2024 instead.

Generally, the Group derives its working capital mainly from cash on hand, net cash generated from operating activities, and borrowings. In view of the net current liabilities position, the Board has given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Board expects that the Group will rely on net cash from operating activities, additional borrowings and capital exercises (if required) and sale of non-core assets to meet demand of working capital and capital expenditure, if any.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group has no material capital commitment (as at 31 December 2024: HK$5 million).

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

During the year ended 31 December 2025, the Group's receipts were mainly denominated in HK$ and US$. Payments were mainly made in HK$ and US$. Cash was generally placed in short-term deposits denominated in HK$. In the year ended 31 December 2025, the Group's borrowings were mainly denominated in HK$, and interest on the borrowings was principally determined on a floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group's current exposure to foreign exchange risk is not significant. The Group has not used any financial instruments to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES

(a) On 27 December 2024, the Group entered into two (2) sale and purchase agreements to dispose of its associates engaged in stage audio and lighting and stage engineering operations in its culture entertainment business, at a consideration of approximately HK$8 million. Upon completion of disposal on 28 February 2025, the Group no longer operates the stage audio and lighting and stage engineering business.

(b) On 25 July 2025, East Advance Holding Limited ("**East Advance**") (as vendor), a direct wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Cheer Fame (as purchaser), a connected person under Chapter 14A of the Listing Rules, pursuant to which East Advance agreed to sell and Cheer Fame agreed to purchase the entire issued share capital of Cosmo Classic Limited ("**Cosmo Classic**"), an investment holding company, and together with its subsidiaries (the "**Cosmo Classic Group**"), which were principally engaged in the business of provision of landscape design services, retail sale of flowers and plants and provision of food and beverages, at a consideration of approximately HK$6 million (the "**Disposal**"). The Disposal constituted a discloseable and connected transaction under Chapters 14 and 14A of the Listing Rules.

Completion of the Disposal took place on 30 July 2025. Cosmo Classic ceased to be a subsidiary of the Group and the financial results of the Cosmo Classic Group ceased to be consolidated into the Group's consolidated financial statements. For details, please refer to the Company's announcements dated 25 July 2025 and 30 July 2025 respectively.

(c) On 31 December 2025, the Group entered into a sale and purchase agreement with an independent third party to dispose 95% of the issued share capital of its subsidiary, namely, Blackbird Works Supply, which principally engaged in provision of car towing and logistics services in Hong Kong, at a consideration of approximately HK$17 million. Upon completion the disposal on 31 December 2025, Blackbird Works Supply ceased to be a subsidiary of the Group and its financial results ceased to be consolidated into the Group's consolidated financial statements. For detail, please refer to the Company's announcements dated 31 December 2025.

Save as disclosed above, the Group did not acquire or dispose of any material subsidiaries and associates during the year ended 31 December 2025.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment as at 31 December 2025.

PLEDGE OF ASSETS

As at 31 December 2025, certain of the Group's assets with a net book value of approximately HK$1,686 million (as at 31 December 2024: HK$2,103 million) and time deposits of HK$17 million (2024: HK$20 million) were pledged to secure the Group's bank and other borrowings.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had the following contingent liabilities:

During 2017 and in or about August 2018, various property purchasers initiated legal proceedings against a subsidiary of the Company (the "**Relevant Subsidiary**") concerning alleged misrepresentations on the part of the Relevant Subsidiary in relation to certain properties sold by the Relevant Subsidiary. In September 2018, the Court ordered that all individual legal proceedings against the Relevant Subsidiary were consolidated into one (1) legal proceeding. Based on the existing legal documents and advice of the legal advisor of the Company, the Directors are of the opinion that there is a reasonably good chance of success in the defence by the Relevant Subsidiary. In the opinion of the Directors, no provision is considered necessary for the claims arising from the legal proceedings at the end of the reporting period.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2025 was 144 (as at 31 December 2024: 187). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. The Company has adopted the 2021 Share Option Scheme as an incentive to eligible participants. Share options may also be granted to eligible employees and persons of the Group under the 2021 Share Option Scheme. As at 31 December 2025, there were no outstanding share options issued by the Company (as at 31 December 2024: Nil).

Sustainable Operations and Development

SUSTAINABILITY STRATEGY

The Company regards sustainability as a core strategy in maintaining and developing for its long-term performance and its efforts in fulfilling corporate social responsibility will contribute to the long-term values to the Company and the community in which its operates.

ENVIRONMENTAL PROTECTION AND PRODUCT SAFETY

The Group is embedded with a strong corporate culture for corporate social responsibilities that forms an important part of its business strategies. Being a responsible corporate citizen, the Group is committed to the long-term sustainability of environment in which it operates and develop its business in a manner that minimises the impacts to the environment and natural resources.

The Group understands global implications of climate change and is committed to placing a high priority on reducing the potential impact on the environment by its business operations through building awareness of environmental conservation, minimising carbon footprints, employing green office initiatives and enhancing environmental awareness among employees and other key stakeholders. Acting in an environmentally responsible manner, the Group endeavours to comply with relevant laws and regulations regarding environmental protection and to adopt effective measures in achieving efficient use of resources, energy-saving and waste management.

The Group endeavors to improve its operational process and products in order to maximise efficiency and productivity and minimise wastages. The Group's policy is to ensure that its business operations comply with the relevant environmental laws, rules and regulations. The Group commits to provide high quality products and services and complies fully with the relevant international and local health, quality and safety standards.

Details will be disclosed in the ESG Report pursuant to the Listing Rules.

COMPLIANCE WITH THE LAWS AND REGULATIONS

Compliance is an integral part of the Company's policy and corporate governance to comply with all the relevant laws and regulations in the places where we operate. The management always keep abreast of the latest development in the laws and regulations which are relevant and have a significant impact on the Group's business operations. During the year ended 31 December 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

KEY RISKS AND UNCERTAINTIES

The Group's businesses, financial condition, results of operations and prospects are subject to a number of directly or indirectly business risks and uncertainties. In general, volatility in the worldwide financial markets, fluctuations in commodity prices and increasing energy costs, strong inflationary pressures, high interest rates, political turbulence, international trade competition and supply chain disruptions have all contributed to the increased uncertainty of global economic prospects.

Climate change poses different risks to the Group's businesses. Apart from physical risks such as rising earth's temperature and sea level, increasing greenhouse gas and extreme weather condition, have already created and will continue to create, resulting in a number of negative effects to the environment and the Group's assets, businesses and supply chain management which may pose increased risks for the Group's key stakeholders such as employees, customers and suppliers.

Faced with such daunting macro-economic and geopolitical risks and uncertainties, the Group devotes considerable efforts to focus on developing its core businesses and to explore new market opportunities in order to create and realise long-term values to the Shareholders and its key stakeholders.

RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

The Group has committed to producing and delivering premium products and quality services to customers to meet their satisfaction and expectation. The privacy of the Group's customers are well-protected through a privacy policy to ensure that all personal data are handled in strict confidence.

Regarding the Group's property business, the Group has established very good working relationship with the major property agents in Hong Kong, which facilitate sale, purchase and leasing of properties in the most efficient manner.

Although the Group's classic car business was established in 2014, some of the key personnel have been working the automotive industry in Hong Kong for many years and possess significant and extensive experience of working with classic cars. Due to the Group's extensive knowledge and expertise in this field, a professional service level and comprehensive relationships with customers and suppliers have been well-established.

Blackbird Concessionaires has been appointed as official dealer of Ferrari in Hong Kong and Macau since 2017. Since commencement of the Ferrari dealership, the Group has quickly established very good relationship with its customers and Ferrari is very happy with progress of its dealership business. On 10 March 2023, Blackbird Concessionaires was appointed as the official Ferrari importer for Hong Kong and Macau. This importership appointment reflects the recognition of Blackbird Concessionaires' performance on Ferrari brand from Ferrari since the official dealership appointment in 2017 by Blackbird Concessionaires.

Blackbird Tridente was appointed as official importer and distributor for Maserati vehicles and the provider of after sales services in Hong Kong and Macau in the first half of 2021. Since commencement of the Maserati importership, the Group has quickly established very good relationship with its customers and Maserati is very happy with progress of its importership business.

RELATIONSHIP WITH EMPLOYEES

The Group treasures its employees which are one of the most valuable assets to the Group. The Group offers competitive remuneration package, provident fund, welfare and benefits and comply with all the relevant labour laws and regulations which apply to its business operations. The key management personnel have worked with the Group for a long period of time.

The Group encourages staff training and development. Employees are encouraged to join external job-related training courses, seminars and programmes. Furthermore, training courses and seminars are organised for different grades of employees from time to time.

WORKPLACE QUALITY

The Group has placed significant resources in providing a safe, healthy, clean and comfortable workplace for our employees in Hong Kong. The Group makes great efforts to create a supportive, inclusive, caring and safe working environment which is free from any potential occupational health and safety hazards, its internal safety guidelines were formulated in accordance with the requirements set out by the Labour Department to minimise risks.

CONTRIBUTION TO THE COMMUNITY

The Group has contributed its efforts and resources to support the community in which it operates for many years. In 2025, the Group has made charitable donations of approximately HK$111,000. Furthermore, the Group also encourages its employees to participate in various charitable activities and volunteering events in the local community in which it has operations.

The ESG Report will be published on the respective websites of the Stock Exchange and the Company on the same publication date of annual report of the Company for the year ended 31 December 2025.

Corporate Information

COMPANY NAME
CCT Fortis Holdings Limited

BOARD OF DIRECTORS
Executive Directors
Mr. MAK Shiu Tong, Clement *(Chairman and CEO)*
Ms. CHENG Yuk Ching, Flora *(Deputy Chairman)*

Independent Non-executive Directors
Mr. CHEN Li
Mr. CHOW Siu Ngor
Mr. LAU Ho Kit, Ivan

BOARD COMMITTEES
Audit Committee
Mr. LAU Ho Kit, Ivan *(chairman)*
Mr. CHEN Li
Mr. CHOW Siu Ngor

Remuneration Committee
Mr. CHOW Siu Ngor *(chairman)*
Mr. CHEN Li
Mr. LAU Ho Kit, Ivan
Mr. MAK Shiu Tong, Clement
Ms. CHENG Yuk Ching, Flora

Nomination Committee
Mr. MAK Shiu Tong, Clement *(chairman)*
Ms. CHENG Yuk Ching, Flora
Mr. CHEN Li
Mr. CHOW Siu Ngor
Mr. LAU Ho Kit, Ivan

COMPANY SECRETARY*
Mr. Kwok Che Chung
(appointed on 23 March 2026)

* Ms. YAN Ha Hung, Loucia was appointed on 21 January 2025 and resigned on 16 June 2025. Ms. Wong Chi Ling was appointed on 16 June 2025 and subsequently resigned on 23 March 2026.

AUDITORS
Crowe (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS
Nanyang Commercial Bank, Limited
Hang Seng Bank Limited
Bank of Communications (Hong Kong) Limited

FINANCIAL YEAR END
31 December

REGISTERED OFFICE
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Floor 26A, Fortis Tower
77–79 Gloucester Road
Hong Kong

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG
Tricor Investor Services Limited
(formerly known as Tricor Tengis Limited)
(changed on 5 February 2025)
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

TELEPHONE NUMBER
(852) 2102-8138

FAX NUMBER
(852) 2102-8100

COMPANY WEBSITE
www.cct-fortis.com

STOCK CODE
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Corporate Governance Report

CORPORATE CULTURE AND STRATEGY

Corporate Culture

The Board and the management of the Group set the tone and shape the corporate culture of people-centered, risk-prevention-oriented, legally compliant and steady progress, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Group. The Board leads the management in defining the purpose, values and strategic direction of the Group and in fostering a corporate culture that is building a long-term sustainable business models where employees, customers, the Shareholders, investors and suppliers can benefit in the shared value of corporate success. The desired culture is developed and reflected consistently in the Group's business operations, workplace policies and practices as well as relationships with the Shareholders and other key stakeholders. The Board, together with the management of the Group, create an organisational culture of maintaining and developing an effective corporate governance framework with stringent corporate governance practices and procedures through workforce engagement, employee retention and training, robust financial reporting, whistleblowing, data privacy and anti-corruption policies, and legal and regulatory compliance. The Group promotes its culture continuously by setting out various policies, including but not limited to, the whistleblowing policy, the anti-corruption policy and the Shareholders' communication policy. Taking into account the corporate culture in a range of contexts, the Board has reviewed and considered that the Group's culture, purpose, values and strategy are aligned as at the date of this annual report.

Corporate Strategy

In order to achieve the Group's principal objective of enhancing long-term values and interests to the Shareholders and other key stakeholders, the Group focuses on achieving sustainable growth in both financial and environmental, social and governance ("**ESG**") performance. The Group executes disciplined management of revenue and profitability, margin and costs, capital and investment return and other financing activities. The Group's core competency in operational excellence in its various properties projects is a key initiative to capture continuing cost and revenue opportunities in its core businesses. The "CHAIRMAN'S STATEMENT" and the "FINANCIAL REVIEW" in this annual report include discussions and analyses of the Group's performance, the basis on which the Board directs to generate the Group's core values in the longer term and delivers the Group's corporate culture, strategy and objectives. The Group is increasingly conscious on ESG and focusing on supporting the global low-carbon and sustainable future transition. Further details on the Group's ESG initiatives and relationships with its key stakeholders are disclosed in the ESG Report.

RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND ESG

The Group recognises the significance of sound ESG practices and is committed to the environment conservation, provision of quality workplace, and serving the community. The ESG considerations are reflected in the policies, procedures and processes that are relevant to the Group's business operations. The Board plays a key role in ESG strategy and oversight in order to create long-term growth and sustainable value for the Group's key stakeholders. The Group had established a ESG governance structure to advise and oversee the Group's sustainability and ESG-related issues and risks. The ESG management approach and policies are overseen by the Board. The Board identifies and evaluates the material ESG-related issues with regard to the Group's internal and external key stakeholders, including ever-changing ESG-related risks to the Group's businesses and the growing prominence of ESG-related issues to the Group's key stakeholders. The Group will uphold and strengthen its risk management and internal control systems in order to cope with the ever-changing ESG-related risks and opportunities. The ESG policies and the Group's performance are contained in the ESG Report.

CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of the Shareholders' transparency and accountability. The Board considers that the Shareholders can maximise their benefits from good corporate governance. The Board is committed to maintaining and ensuring high standards of corporate governance practices and procedures by integrating social and environmental concerns into the Group's business operations such that the interests of the Shareholders and its key stakeholders as well as the Company's long-term sustainable development can be safeguarded.

In the opinion of the Directors, the Company has complied with all the code provisions of the CG Code throughout the year ended 31 December 2025, thereby ensuring the Company is up to the requirements as being diligent, accountable and professional, except for the deviations with considered reasons disclosed herein.

Code Provision C.2.1

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

There is no separation of the roles of the Chairman and the CEO and hence the Company has not complied with code provision C.2.1 of the CG Code during the year ended 31 December 2025.

Mr. Mak acts as a dual leadership role of both the Chairman and the CEO by one (1) single person that has been adopted by the Company for a number of years to discharge executive functions thereby enabling more effective and efficient planning and better execution of long-term strategies. Mr. Mak is an executive of high caliber with a wide range of skills and diversified business expertise. Mr. Mak has substantial experience, strong leadership and a firmly established reputation in the diversified business that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. The Board comprises of two (2) executive Directors (including the Chairman) and three (3) INEDs with a balance of power and authority with specialised skills and extensive experience. The Board believes that there is no need to segregate the roles of the Chairman and the CEO as the balance of power and authority is already ensured by the current structure. Moreover, the Board believes that the combined roles of Mr. Mak enhance the communication between the Board and management and facilitate the effective execution of the Board's business strategies by the management because of Mr. Mak's extensive business experience. The Board will review the current structure when and as it becomes appropriate.

MANAGEMENT ACTION PLANS

In view of an issue of going concern that raised by the Auditors, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern.

The following plans and measures are formulated to manage the working capital and improve the financial position of the Group: (a) the Group is actively discussing with potential buyers to dispose of the assets; (b) the Group is able to renew and roll over the revolving, trading and working capital loans with more favourable financial covenants to be fulfilled by the Group upon or before the maturity dates; (c) the Group is actively discussing with financial advisor for potential capital transactions; (d) the Group will continue to improve the sales and collection of outstanding trade receivables; and (e) the Group will continue to take active measures to control its administrative costs and manage its capital expenditure. The Directors have reviewed the Group's cash flow forecast, covering a period of at least twelve (12) months from the reporting date, prepared by the management. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve (12) months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standards set out in the Model Code. Having made specific enquiries by the Company, all the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2025. The Company has also adopted the Model Code to regulate the dealings in the Company's securities by its employees and directors of the subsidiaries of the Group who are likely to possess inside information relating to the Company's securities.

THE BOARD

Responsibilities, accountabilities and contributions

The Board is responsible for overall management of leadership and control of the Company and oversees the Group's businesses, strategic decisions and operational performance, and promoting the development of the Company by directing and supervising its affairs. The Directors take decisions objectively in the interests of the Company and the Shareholders.

The management of the Group was delegated the authority and responsibility by the Board for day-to-day management of the business operations of the Group, with division heads responsible for different aspects of the Group's businesses while reserving certain key matters for its approval. The Board's decisions are communicated to the management through executive Directors who have attended the Board meetings.

Regular Board meetings are held at least four (4) times a year with at least fourteen (14) days' prior notice being given to all the Directors to facilitate fullest possible attendance. Additional meeting(s), if necessary, are arranged and will be held as and when required. All Directors or Board committee(s) members will receive the meeting agenda and accompanying Board or Board committee(s) papers at least three (3) days before the date of the regular Board or Board committee(s) meeting(s) pursuant to code provision C.5.8 of the CG Code; and may attend the Board or Board committee(s) meeting(s) either in person or through electronic means of communication. A total of six (6) Board meetings (including four (4) regular Board meeting(s)) were held and written resolutions of the Directors were circulated and passed for approving significant matters during the year ended 31 December 2025. Pursuant to code provision C.5.5 of the CG Code, draft and final versions of minutes are circulated to all the Directors or the Board committee(s) members for comments and records respectively.

THE BOARD *(continued)*

Responsibilities, accountabilities and contributions *(continued)*

The Board members have also attended the Shareholders' general meeting(s) to answer questions from the Shareholders. During the year ended 31 December 2025, the Company held one (1) Shareholders' general meeting. The attendance of each of the Directors at the Board meetings ("**BMs**") (either in person or by telephone or zoom) and the Shareholders' general meeting ("**GM**") held in 2025 is set out as follows:

	Number of meetings attended or eligible to attend	
Name of the Directors	**BMs**	**GM**
Executive Directors		
Mr. MAK Shiu Tong, Clement	6/6	1/1
Ms. CHENG Yuk Ching, Flora	6/6	1/1
Independent Non-executive Directors		
Mr. CHEN Li	5/6	1/1
Mr. CHOW Siu Ngor	6/6	1/1
Mr. LAU Ho Kit, Ivan	6/6	1/1

The company secretary of the Company is responsible for taking minutes of the Board and the Board committees meetings and all the minutes are open for inspection by the Directors or the Board committee(s) members upon reasonable notice.

The Directors have access to relevant and timely information and, upon reasonable request, may seek independent professional advice in appropriate circumstances, at the Company's expenses. Appropriate insurance cover has been arranged in respect of any claims and/or legal actions against the Directors and the management of the Group arising out of corporate activities of the Group. The Board considers that the Group has sufficient and appropriate liability insurance to cover the Directors and officers of the Group against any legal liability arising from their performance of duties.

The Board composition

As at the date of this annual report, the Board was composed of two (2) executive Directors, namely Mr. MAK Shiu Tong, Clement and Ms. CHENG Yuk Ching, Flora and three (3) INEDs, namely Mr. CHEN Li, Mr. CHOW Siu Ngor and Mr. LAU Ho Kit, Ivan. The biographical details of all Directors are set out in the section headed "Directors and Senior Management" of this annual report.

During the year ended 31 December 2025 and up to the date of this annual report, there was no change in the Board's composition.

The Board's composition has maintained a balance and diversity of skills, expertise, experience and qualifications appropriate of the requirements, promotion and development of the Group's businesses. As at the date of this annual report, the Board consists of four male members and one female member, and the Board will take opportunities to increase the proportion of female members over time as and when selecting and making recommendation on suitable candidates as Directors.

The Directors give sufficient time and attention to the Group's affairs. The Company also requires the Directors to disclose to the Company annually and in a timely manner for any change(s) regarding the number and the nature of offices held in public companies or organisations and other significant commitments with indications of the time involved.

THE BOARD *(continued)*

The Board independence

The INEDs bring to the Board independent views and judgment on issues relating to the Group's business strategies, policies, performance, accountability, resources, key appointments and standards of conducts, and enhance the Board's balance of skills, experience and diversity of perspectives. The established governance framework and effective mechanisms are kept under annual review by the independent Board to ensure their effectiveness.

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of at least three (3) INEDs with at least an INED with appropriate professional qualifications or accounting or related financial management expertise and the number of the INEDs representing at least one-third (1/3) of the Board throughout the year ended 31 December 2025.

The Company has received written annual confirmation of independence for the year ended 31 December 2025 from each of Mr. CHEN Li ("**Mr. Chen**"), Mr. CHOW Siu Ngor ("**Mr. Chow**") and Mr. LAU Ho Kit, Ivan in accordance with Rule 3.13 of the Listing Rules. Despite the fact that each of Mr. Chen and Mr. Chow has served as an INED on the Board for more than nine (9) years, the Board has assessed their independence and concluded that their duration of service will not interfere with their exercise of independent judgment in carrying out their duties and responsibilities as INEDs and believed that their valuable knowledge and extensive experience in the Group's business will continually benefit the Group and the Shareholders. Accordingly, the Board considered that all INEDs are independent and have met the independence guidelines under Rule 3.13 of the Listing Rules. Re-election of the retiring Directors will be subject to a separate resolution at the AGM to be approved by the Shareholders by way of poll.

The Chairman meets at least annually with the INEDs without the presence of other Director in compliance with the code provision C.2.7 of the CG Code.

None of the members of the Board has any financial, business, family or other material or relevant relationships with each other.

THE BOARD *(continued)*

Responsibilities, accountabilities and contributions *(continued)*

Directors' continuing professional development

A newly appointed Director, if any, will be provided with necessary induction and information to ensure he or she has a proper understanding of the Group's operations, businesses and governance policies as well as his responsibilities under the Listing Rules and all applicable legal and regulatory requirements.

During the year ended 31 December 2025, the Company provides the Directors with regular updates on the Group's business performance and briefings on the latest developments and changes regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. All Directors are encouraged to participate in continuous professional development to develop duties and responsibilities and refresh their knowledge and skills to ensure that their contributions to the Board remains informed and relevant in compliance with the code provision C.1.4 of the CG Code.

According to the training records confirmations provided by all the existing Directors, all Directors have participated in the continuous professional development for the year ended 31 December 2025 in the following manner:

	Type of continuous professional development	
Name of the Directors	**Receiving updates and briefings from the Company or self-study**	**Attending seminar(s) or conference and/or forums organised by external parties**
Mr. MAK Shiu Tong, Clement	✔	–
Ms. CHENG Yuk Ching, Flora	✔	–
Mr. CHEN Li	✔	–
Mr. CHOW Siu Ngor	✔	✔
Mr. LAU Ho Kit, Ivan	✔	✔

The training participated by the Directors in 2025 is relevant to their duties and responsibilities as a Director.

THE CHAIRMAN AND THE CEO

Mr. MAK Shiu Tong, Clement currently assumes the roles of both the Chairman and the CEO. The reasons for the deviation with considered reasons from code provision C.2.1 of the CG Code are set out in the section headed "CORPORATE GOVERNANCE PRACTICES" above. Mr. Mak is responsible for the leadership of the Board, corporate planning and strategic direction of the Group and takes a leading role in managing the businesses of the Group.

TERMS OF APPOINTMENT OF THE INEDs

All the Directors are appointed for a specific term of not more than three (3) years. All the Directors (including the Chairman and the INEDs) are subject to retirement by rotation and re-election at the AGM pursuant to the Bye-laws and code provision B.2.2 of the CG Code.

RE-ELECTION AND RETIREMENT OF THE DIRECTORS

The Bye-laws provide that (i) one-third (1/3) (or the number nearest to one-third (1/3)) of the Directors shall retire from office by rotation and be eligible for re-election at each AGM; and (ii) any Director appointed by the Board, either to fill a casual vacancy on or as an addition to the existing Board, shall hold office until the next following AGM and shall be eligible for re-election at that meeting.

BOARD COMMITTEES

The Board has established three (3) committees, which are the Remuneration Committee, the Audit Committee and the Nomination Committee, with clearly defined written terms of reference to assist in the execution of the Board's responsibilities and to oversee particular aspect of the Group's affairs. Each Board committee is provided with sufficient resources to discharge its duties properly, and holds meeting(s) in accordance with the Bye-laws, its specific written terms of reference and, where applicable, the proceedings of the Board committees meeting(s). The main roles and responsibilities of these Board committees, including all authorities delegated to them by the Board, as set out in the terms of reference, are published on the respective websites of the Stock Exchange at www.hkexnews.hk and the Company at www.cct-fortis.com in the sub-section of "Corporate Governance" under the section of "Investor Information". The terms of reference of the Board committees are reviewed and updated regularly to ensure that they are aligned with prevailing governance practices. Each Board committee is required to report to the Board on its decisions and recommendations, where appropriate.

Remuneration Committee

The Remuneration Committee was established in 2005 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules.

The main responsibilities of the Remuneration Committee include, *inter alia*, (i) making recommendations to the Board on the policy and structure for the remuneration of the Directors and senior management of the Group; (ii) reviewing the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) making recommendations to the Board on the remuneration package of individual Directors and senior management of the Group (adopting the approach described under code provision E.1.2(c)(ii) of the CG Code); (iv) reviewing and making recommendations to the Board the fees payable to the INEDs; (v) reviewing and making recommendations to the Board the compensation, if any, payable to the Directors and senior management of the Group in connection with any loss or termination of office or appointment; and (vi) reviewing or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee comprises five (5) members who are three (3) INEDs, namely Mr. CHOW Siu Ngor ("**Mr. Chow**") (*chairman of the Remuneration Committee*), Mr. CHEN Li and Mr. LAU Ho Kit, Ivan and two (2) executive Directors, namely Mr. MAK Shiu Tong, Clement and Ms. CHENG Yuk Ching, Flora. The Remuneration Committee is currently chaired by Mr. Chow.

During the year ended 31 December 2025, the Remuneration Committee held one (1) meeting and its main work during 2025 included:

(i) reviewing and making recommendations to the Board on the policy and structure for the remuneration of the Directors and senior management of the Group; and

(ii) reviewing and making recommendations to the Board on the remuneration package of the Directors and senior management of the Group.

For the sake of good corporate governance practice, none of the members of the Remuneration Committee participated in the discussions and decision on matters relating to his or her remuneration. Details of the remuneration of the Directors are set out in note 8 to the consolidated financial statements.

BOARD COMMITTEES *(continued)*

Remuneration Committee *(continued)*

The attendance record of the members at the meeting of the Remuneration Committee in 2025 is set out as follows:

Members of the Remuneration Committee	Number of meeting attended or held
Mr. CHOW Siu Ngor *(chairman)*	1/1
Mr. CHEN Li	1/1
Mr. LAU Ho Kit, Ivan	1/1
Mr. MAK Shiu Tong, Clement	1/1
Ms. CHENG Yuk Ching, Flora	1/1

The Group provides competitive remuneration packages to the Directors and senior management of the Group. The emoluments of the Directors are decided by the Remuneration Committee are determined based on skill, knowledge, experience and performance of the Directors and achievements and performance of the Company and taking into account market conditions. In addition, the 2021 Share Option Scheme has been established to provide incentives and rewards to eligible participants who include the Directors and senior management of the Group.

During the year ended 31 December 2025, the Group's senior management team consists of one (1) member. Given this circumstance, the disclosure requirement in relation to remuneration of senior management by band pursuant to code provision E.1.5 of the CG Code is no longer suitable. Instead, we have provided specific remuneration details for the executive Directors, the CEO, independent non-executive Directors and five highest paid employees as set out in notes 8 and 9 to the consolidated financial statements for the year ended 31 December 2025, thereby ensuring transparency and compliance with the CG Code.

Audit Committee

The Company has established the Audit Committee since 2000 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company's financial reporting, risk management and internal control systems, to maintain an appropriate relationship with the external and internal auditors of the Company as well as other duties under the CG Code.

The main responsibilities of the Audit Committee include, *inter alia*, (i) reviewing the consolidated financial statements of the Group's interim and annual reports before submitting them to the Board for approval; (ii) reviewing and making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the terms of engagement including the remuneration of the external auditors; (iii) discussing with the external auditors the nature and scope of the audit; (iv) monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with the applicable standards; (v) reviewing and monitoring the financial reporting and the reporting judgment contained in them; (vi) reviewing the financial controls, risk management and internal control systems (including the adequacy of resources, and the effectiveness of the financial and internal audit function); and (vii) reviewing the Group's accounting policies and practices and any changes of them with the management of the Group, and the internal and external auditors of the Company.

BOARD COMMITTEES *(continued)*

Audit Committee *(continued)*

The Audit Committee comprises all three (3) INEDs, namely Mr. LAU Ho Kit, Ivan ("**Mr. Lau**") (*chairman of the Audit Committee*), Mr. CHEN Li and Mr. CHOW Siu Ngor. The Audit Committee is currently chaired by Mr. Lau, who is a qualified accountant with extensive accounting and financial experience in accordance with Rule 3.21 of the Listing Rules. No member of the Audit Committee is a former partner of the existing audit firm of the Company during two (2) years after he ceases to be partner of the audit firm.

During the year ended 31 December 2025, the Audit Committee held three (3) meetings and its main work during 2025 included reviewing:

(i) the 2024 annual report, including the Corporate Governance Report, the Report of the Directors, the financial statements and various corporate transactions as well as the 2024 annual results announcement;

(ii) the 2025 interim report and 2025 interim results announcement;

(iii) the plans, reports, fees, involvement in non-audit services and terms of engagement of the external auditors;

(iv) the plans, resources and work of the Company's internal auditors; and

(v) the adequacy and effectiveness of the Company's financial reporting system, the system of internal controls in operation, risk management system and associated procedures within the Group.

The attendance record of the members at the meetings of the Audit Committee in 2025 is set out as follows:

Members of the Audit Committee	Number of meetings attended or held
Mr. LAU Ho Kit, Ivan *(chairman)*	3/3
Mr. CHEN Li	2/3
Mr. CHOW Siu Ngor	3/3

Nomination Committee

The Company has established the Nomination Committee since 2012 with specific written terms of reference in line with code provisions under the CG Code. The main responsibilities of the Nomination Committee include, *inter alia*, (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually; (ii) making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (iii) identifying individuals suitably qualified to become the Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (iv) assessing the independence of the INEDs; and (v) making recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, in particular the Chairman and the CEO. The Nomination Committee comprises five (5) members who are three (3) INEDs, namely Mr. CHEN Li, Mr. CHOW Siu Ngor and Mr. LAU Ho Kit, Ivan and two (2) executive Directors, namely Mr. MAK Shiu Tong, Clement ("**Mr. Mak**") (*chairman of the Nomination Committee*), and Ms. CHENG Yuk Ching, Flora. The Nomination Committee is currently chaired by Mr. Mak.

BOARD COMMITTEES *(continued)*

Nomination Committee *(continued)*

During the year ended 31 December 2025, the Nomination Committee held one (1) meeting and its main work during 2025 included: (i) reviewing the structure, size, composition and diversity of the Board; (ii) reviewing the Board diversity policy and the Nomination Policy; (iii) reviewing the confirmation from the Directors on time commitment in performing their duties as the Directors; (iv) assessing the independence of the INEDs; and (v) making the recommendations to the Board on the nomination of the retiring Directors for retirement by rotation and re-appointment at the AGM. The Nomination Committee reviewed that the current composition of the Board satisfied the Board diversity policy of the Company which considered to be effective.

The attendance record of the members at the meeting of the Nomination Committee in 2025 is set out as follows:

Members of the Nomination Committee	Number of meeting attended or held
Mr. MAK Shiu Tong, Clement *(chairman)*	1/1
Ms. CHENG Yuk Ching, Flora	1/1
Mr. CHEN Li	1/1
Mr. CHOW Siu Ngor	1/1
Mr. LAU Ho Kit, Ivan	1/1

Nomination Policy

The Company adopted a nomination policy (the "**Nomination Policy**") in January 2019. A summary of the Nomination Policy is stated as below:

— to nominate suitable candidates to the Board for it to consider and make recommendations to the Board on the appointment or re-appointment of the Directors and succession planning (if considered necessary);

— skills, experience and diversity of perspectives which are relevant to the operations of the Group;

— the selection criteria, the nomination procedures and process are set out in the Board diversity policy (the "**Board Diversity Policy**"); and

— to propose person(s) for election as the Director(s) by the Shareholder(s), of which are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director" is available on the Company's website.

The Nomination Committee will review the Nomination Policy (as appropriate) to ensure its effectiveness.

BOARD COMMITTEES *(continued)*

Nomination Committee *(continued)*

Board Diversity Policy

The Board has adopted the Board Diversity Policy in August 2013 which sets out the approach to achieve diversity on the Board. The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. As from the adoption of the Board Diversity Policy, the Company seeks to achieve Board diversity through a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the Board Diversity Policy, on an annual basis to ensure its continued implementation and effectiveness from time to time.

During the year ended 31 December 2025 and as at the date of this annual report, the Board comprised five (5) Directors, one (1) of which is female; the Group has one (1) senior management of the Group is male. As at the date of this annual report, approximately 83.3% of the Company's senior workforce (including the Directors and senior management of the Group) is male and approximately 16.7% is female. The Company targets to avoid a single gender senior workforce (including the Directors and senior management of the Group) and will timely review the gender diversity of the senior workforce (including the Directors and senior management of the Group) in accordance with the business development of the Group.

The following table further illustrate the diversity of the Board members (other than gender diversity) as at the date of this annual report:

		Number of Director(s)
Age group:	Over 60	5
Length of service (year):	1 to 9	1
	Over 9	4
Extensive knowledge professional experience in:	— Business management	4
	— Industries	4
	— Finance and accounting	1
	— Legal	1

The Board has sufficient diversity in educational background, business and professional experience, skill and knowledge.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing corporate governance functions which include (i) developing, reviewing and approving the Company's policies and practices on corporate governance; and maintenance of appropriate and effective risk management and internal control systems of the Group to ensure compliance with applicable rules and regulations, and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of the Directors and senior management of the Group; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

CORPORATE GOVERNANCE FUNCTIONS *(continued)*

During the year ended 31 December 2025, the Board held one (1) meeting to develop and review the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements, and to perform other corporate governance duties stated in the paragraph above. The attendance record of the members of the Board at the corporate governance meeting(s) in 2025 is set out as follows:

Members of the Directors	**Number of meeting attended or held**
Mr. MAK Shiu Tong, Clement *(Chairman and CEO)*	1/1
Ms. CHENG Yuk Ching, Flora *(Deputy Chairman)*	1/1
Mr. CHEN Li	1/1
Mr. CHOW Siu Ngor	1/1
Mr. LAU Ho Kit, Ivan	1/1

AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company, Messrs. Crowe (HK) CPA Limited, for the year ended 31 December 2025 is set out as follows:

Services rendered	**Fees paid/payable** HK$
Audit services	1,600,000
Non-audit services:	
Taxation	31,800
Other assurance service	30,000
Total	1,661,800

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such financial statements. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

The statement of the external auditor of the Company, Messrs. Crowe (HK) CPA Limited, with regard to their reporting responsibilities on the Group's consolidated financial statements is set out in the section headed "Independent Auditor's Report" of this annual report.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS *(continued)*

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, save as disclosed in the consolidated financial statements, they are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's annual results announcement dated 30 March 2026 and the Corporate Governance Report also included an additional statement detailing the management's action plans to address the going concern issues.

AUDITOR'S STATEMENT

The statement by the Company's external auditor about their reporting responsibilities on the consolidated financial statements for the year ended 31 December 2025 is set out in the "INDEPENDENT AUDITOR'S REPORT" on pages 56 to 61 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL AND INTERNAL AUDIT

The Board is entrusted with the overall responsibility for establishing and maintaining the Group's risk management and internal control systems on an ongoing basis and reviewing their effectiveness. The Group's risk management and internal control systems have been designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage for safeguarding assets, maintaining proper accounting records and ensuring reliability of the financial information rather than eliminate risks of failure in operating systems or in achievement of the Group's business objectives. A detailed self-risk assessment process using a common risk management framework covering all material controls, including financial, operational and compliance controls is conducted and reviewed annually. The Board also reviews and considers the adequacy of resources, staff qualifications and experience, and training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

The Company has established the internal audit department for many years and the department performs risk-based audit on the effectiveness of the internal control system of the Group half-yearly. The internal audit department of the Company reports to the Chairman. The annual audit plan of the internal audit department is reviewed and approved by the Audit Committee and summary of major audit findings and control weaknesses (if any) and follow-up actions are reviewed by the Audit Committee.

During the year ended 31 December 2025, the Board reviewed the effectiveness and adequacy of risk management and internal control systems of the Group for 2025 and considered them effective and adequate, and save as disclosed in this annual report, there were no major issues but areas for improvement have been identified by the internal audit department and the Audit Committee and appropriate measures have been taken.

Objective of risk management and internal control

The Company recognises the importance of risk management and internal control in the achievement of its strategic goals. The Company maintains a conservative approach to identify, assess, manage, control and report risks including strategic, credit, operational (including but not limited to, administrative, system, human resources and reputation), market, liquidity, legal and regulatory risks, in alignment with its business strategies of achieving sustainability and delivering long-term returns to the Shareholders. The risk management and internal control systems includes a defined management structure with specified limits of authority. The Board has clearly defined the authorities and key responsibilities of each division to ensure adequate checks and balances.

RISK MANAGEMENT AND INTERNAL CONTROL AND INTERNAL AUDIT *(continued)*

Process and procedure for risk management and internal control

1. The Board has the overall responsibility for evaluating 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. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems.

2. The Board through the Audit Committee, reviews the adequacy the Group's risk management and internal control systems.

3. The Group employs an enterprise risk management framework to manage risks.

4. The management of business units or divisions are responsible for the day-to-day management of operational risks and implementation of mitigation measures.

5. The internal audit department of the Group is responsible for reviewing and appraising effectiveness of risk management and internal control systems and reporting results to the Board through the Audit Committee.

Top and emerging risks

The top and emerging risks framework enables the Group to identify current and forward-looking risks so that the Group may take actions that either prevent them, crystallise or limit their impact. Top risks are those that may have a material impact on the financial results, reputation or business model of the Group in the year ahead. Emerging risks are those that have large unknown components may form beyond a one (1)-year horizon. If these risks were to occur, they could have material impact on the Group. The Group's top and emerging risks are summarised as follows:

— trade war tensions between the USA and China;
— geopolitical risks;
— rising inflation and interest hike;
— global economic outlook and capital flows;
— major changes of government policies that have significant impact on the Group's operations;
— information technology security and risks;
— sales and receivable management;
— production and supplier management; and
— human resources management.

The above top and emerging risks were reviewed by the Audit Committee and discussed by the Board. Measures have been formulated and implemented to mitigate such risks. These risks will be changed to respond to changes in the Group's business and the external environment.

COMPANY SECRETARY

Ms. WONG Chi Ling was appointed by the Board as the Company Secretary effect from 16 June 2025 and resigned as the Company Secretary with effect from 23 March 2026. Mr. Kwok Che Chung was appointed by the Board as the Company Secretary with effect from 23 March 2026. Therefore, the training requirement under Rule 3.29 of the Listing Rules of not less than fifteen (15) hours of relevant professional training during the year ended 31 December 2025 does not apply to Mr. Kwok.

SHAREHOLDERS' RIGHTS

(i) Procedures for the Shareholders to convene a special general meeting

The Shareholder(s) may convene a special general meeting on requisition, as provided by the Companies Act 1981 of Bermuda.

The Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth (1/10) of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the requirements under Section 74(3) of the Companies Act 1981 of Bermuda (as amended).

(ii) Procedures for putting enquiries to the Board

The Shareholders have the right to put enquiries to the Board at any time and all such enquiries shall be in writing and addressed to the "Company Secretarial Department" of the Company by mail to Floor 26A, Fortis Tower, 77–79 Gloucester Road, Hong Kong or by email to cctinfo@cct.com.hk.

(iii) Procedures for putting forward proposals at general meetings

Pursuant to bye-law 88 of the Bye-laws, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a written notice (the "**Nomination Notice**") signed by such Shareholder(s) individually or collectively holding not less than one-tenth (1/10) of the then total paid up capital of the Company as at the date of the Nomination Notice carrying the right of attending and voting at the general meeting of the Company for which such Nomination Notice is given of his intention to propose such person(s) for election and also a written notice signed by each person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the number of candidates to be nominated by the qualified Shareholder individually or the group of qualified Shareholders collectively for election at any general meeting shall be limited to three (3), subject to the maximum number of the Directors, if any, and provided that the minimum length of the period during which such written notices are given, shall be at least seven (7) days and that (if the written notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such written notices shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

INVESTOR RELATIONS

(i) Constitutional documents

There was no change in the Company's constitutional documents during the year ended 31 December 2025 and as at the date of this annual report.

(ii) Shareholders' communication policy

The Company has established its Shareholders' communication policy to ensure proactive two (2)-way communication with the Shareholders and keep the Shareholders informed of balanced and understandable information about the Company in a factual and timely manner. This Shareholders' communication policy serves to govern the Company's open and regular on-going dialogue with the Shareholders, bankers and media through effective corporate communication system covering various communication channels including the Shareholders' meetings, corporate publications and website.

Information about the Company is disseminated to the Shareholders through (i) delivery of interim and annual reports to the Shareholders; (ii) publication of announcements on interim and annual results on the respective websites of the Company and the Stock Exchange, and issuance of other announcements and the Shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and (iii) the general meeting of the Company is an effective communication channel between the Board and the Shareholders. As such, the Board members attended the Company's last AGM held on 18 June 2025 to provide the Shareholders with opportunities to understand the latest development of the Group and raise questions.

Details of the attendance of each Directors at the Company's general meetings in 2025 is listed under the section headed "THE BOARD" in this Corporate Governance Report.

The Board has reviewed the implementation and effectiveness of the Shareholders' communication policy during the year ended 31 December 2025 and considered it to be effective.

DIVIDEND POLICY

Pursuant to code provision F.1.1 of the CG Code, the Company should have a policy on payment of dividends and disclose in the Company's annual report.

The Company has adopted a dividend policy (the "**Dividend Policy**") in January 2019, pursuant to which the Company may declare and distribute dividends to the Shareholders to allow the Shareholders to share the Company's profit and for the Company to retain adequate reserves for future growth.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders.

DIVIDEND POLICY *(continued)*

In proposing any dividend payout, the Board shall also take into account, *inter alia*, the Group's financial results, the general financial condition of the Group, the Group's current and future operations and any other factors that the Board deems appropriate from time to time. The Company's ability to pay dividends is also subject to the requirements of the Listing Rules, all relevant applicable laws, rules and regulations in Bermuda and the Company's memorandum of continuance and the Bye-laws.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

WHISTLEBLOWING POLICY

The Company is committed to achieving and maintaining a high standard of openness, probity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. It is every employee's responsibility and in the best interests of the Company to ensure that any inappropriate behaviour or organisational malpractice that compromise the interests of the Shareholders, investors, customers and the general public does not occur. To this end, the Company has devised this policy.

This policy is intended to encourage and assist individual employees (permanent or temporary employees) and related third parties (including customers and suppliers) (the "**Third Parties**") to disclose information relevant to suspected misconduct, malpractice or impropriety within the Group through a confidential reporting channel. It is not designed to further any personal disputes, question financial or business decisions taken by the Company nor should it be used to reconsider any staff matters which have been addressed under the grievance procedures already in place for fair and independent investigation, and appropriate follow-up actions are taken.

This policy applies to the Group's employees at all levels and divisions or departments and the Third Parties. The details of the whistleblowing policy are available on the website of the Company at www.cct-fortis.com/eng/investor/governance.php.

ANTI-CORRUPTION AND BRIBERY POLICY

The Group takes a zero-tolerance approach towards all forms of bribery and corruption and is committed to observing and upholding high standards of business integrity, honesty, fairness, impartiality and transparency in all its business dealings at all times. The Company has adopted anti-corruption and bribery policy which strictly prohibits any form of corruption or bribery, and is committed to the prevention, deterrence, detection and investigation of all forms of corruption and bribery.

This policy sets out the basic standard of conduct which applies to all the Directors, officers and employees (includes temporary and contract staff of the Group, and joint ventures or companies in which the Group holds a controlling interest) who must conduct their activities in full compliance with this policy and all other applicable laws relating to bribery or corruption. We encourage all our business partners, including joint venture partners, associated companies, contractors and suppliers to abide by the principles of this policy. The details of the anti-corruption and bribery policy are available on the website of the Company at www.cct-fortis.com/eng/investor/governance.php.

Report of the Directors

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal businesses of its subsidiaries include (i) property business; (ii) securities business; (iii) Blackbird's multi-faceted automotive business and investment in valuable collections; and (iv) cultural entertainment business.

BUSINESS REVIEW

As required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), further discussion and review of the Group's businesses during the year ended 31 December 2025 including an analysis of the Group's performance, material risks and uncertainties facing the Group, important events affecting the Group that have occurred (if any), and an indication of likely future development in the Group's businesses can be found throughout this annual report, particularly in the sections headed "CHAIRMAN'S STATEMENT" and "FINANCIAL REVIEW" as well as notes 1, 2, 44 and 45 to the consolidated financial statements in this annual report.

The environmental policies and performance, compliance with relevant laws and regulations that have a significant impact (if any) and the Group's key relationship with its employees, customers and suppliers are covered by the sections headed "SUSTAINABLE OPERATIONS AND DEVELOPMENT" and "CORPORATE GOVERNANCE REPORT" in this annual report as well as a separate ESG Report which will be available on the Company's website under the "Corporate Social Responsibility Reports" section and the website of the Stock Exchange at the same time as the publication of this annual report.

Details of the Group's financial risk management are disclosed in note 44 to the consolidated financial statements.

In addition, relevant details of the Group's ESG performance are reported separately in the ESG Report.

The Directors were not aware of any non-compliance with the relevant laws and regulations that had a significant impact on the Group during the year ended 31 December 2025.

ANNUAL RESULTS

The Group's loss for the year ended 31 December 2025 and the Group's financial position as at 31 December 2025 are set out in the consolidated financial statements on pages 62 to 65 of this annual report.

FINAL DIVIDEND

In light of the current uncertain situation, the Group intends to conserve cash resources to combat the difficulties and challenges going forward. Therefore, the Board did not recommend the payment of a final dividend for 2025 (2024 final dividend: Nil). The Company did not pay any interim dividend for 2025 (2024 interim dividend: Nil).

FIVE (5)-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities and non-controlling interests of the Group for the last five (5) financial years, as extracted from the consolidated financial statements and restated or reclassified as appropriate, is set out on page 166 of this annual report. This summary does not form part of the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT AND LEASES AS WELL AS INVESTMENT PROPERTIES

Details of movements in property, plant and equipment and leases as well as investment properties of the Group during the year are set out in notes 14 and 15 to the consolidated financial statements of this annual report, respectively.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 December 2025 are set out in note 33 to the consolidated financial statements of this annual report.

EQUITY-LINKED AGREEMENTS

(i) 2025 Convertible Bonds

On 20 January 2023, the Company issued the 2025 Convertible Bonds with the aggregate principal amount of HK$220,000,000 due on 31 December 2025. The 2025 Convertible Bonds are unsecured, carry interest at 4.5% per annum on the principal amount and are redeemable at the option of the Company before the maturity date on 31 December 2025. Subject to the terms and conditions of the 2025 Convertible Bonds, holder(s) of the 2025 Convertible Bonds has a right to convert the 2025 Convertible Bonds into the Shares at the current conversion price of HK$0.16 per conversion Share (subject to adjustments pursuant to the terms and conditions of the 2025 Convertible Bonds). On 17 May 2023, Treasure Goal transferred part of the 2025 Convertible Bonds in an aggregate principal amount of HK$117,000,000 to Capital Winner, New Capital and Capital Force (the "**Transferee(s)**") for the respective principal amounts of HK$46,500,000, HK$45,000,000 and HK$25,500,000 and on the same day, the Transferees exercised their conversion rights to convert an aggregate principal amount of HK$117,000,000 of the 2025 Convertible Bonds, and a total of 731,250,000 Shares were issued and allotted by the Company. For details, please refer to the Company's circular dated 19 December 2022 and announcements dated 11 January 2023, 20 January 2023 and 17 May 2023 respectively.

On 5 June 2024, Treasure Goal transferred part of the 2025 Convertible Bonds in the principal amount of HK$20,000,000 to Cheer Fame. For details, please refer to the Company's announcement dated 5 June 2024.

On 18 June 2024, upon completion of the disposal of the entire issued share capital of Silly Thing Group Limited, an investment holding company, and together with its subsidiaries, which were engaged in multimedia businesses including magazine publication, event management and production and provision of digital media services, the consideration for the disposal of HK$9,500,000 had been settled by offsetting against part of the principal amount of the 2025 Convertible Bonds held by Cheer Fame on a dollar-to-dollar basis, and the remaining principal amount of the 2025 Convertible Bonds held by Cheer Fame was reduced from HK$20,000,000 to HK$10,500,000. For details, please refer to the Company's announcements dated 13 June 2024 and 18 June 2024 respectively.

On 30 July 2025, upon completion of disposal of entire issued share capital of an investment holding company, Cosmo Classic Limited, and together with its subsidiaries, which were engaged in the business of provision of landscape design services, retail sale of flowers and plants and provision of food and beverages, the consideration of HK$5,580,000 had been settled by offsetting against part of the principal amount of the 2025 Convertible Bonds held by Cheer Fame on dollar-to-dollar basis, and the remaining principal amount of the 2025 Convertible Bonds held by Cheer Fame was reduced from HK$10,500,000 to HK$4,920,000. For details, please refer to the Company's announcements dated 25 July 2025 and 30 July 2025 respectively.

Save as disclosed above, during the year, no exercise of the conversion rights under the 2025 Convertible Bonds was made. The 2025 Convertible Bonds has been matured on 31 December 2025 and the outstanding principal amount of the 2025 Convertible Bonds was HK$87,920,000 as at 31 December 2025 and the date of this annual report.

EQUITY-LINKED AGREEMENTS *(continued)*

(i) 2025 Convertible Bonds *(continued)*

On 2 January 2026, the Company and the Bondholders entered into a Deed of Amendment to restructure the 2025 Convertible Bonds by:

- Extend maturity date by 2 years (to 31 December 2027)
- Increase conversion price from HK$0.16 to HK$0.45 per share
- Reduce interest rate from 4.5% p.a. to 0% p.a. (from 1 January 2026)
- Convert accrued interest (Treasure Goal: HK$13,917,261.66; Cheer Fame: HK$653,375.33) into zero-interest shareholder loans repayable on demand

The purpose was to ease cash flow and align conversion terms with the capital reorganisation.

However, the proposed amendments were not passed at the Special General Meeting held on 25 February 2026.

Following the vote down, the Company is actively exploring alternative funding options to meet its obligations under the 2025 Convertible Bonds. These include new debt financing and bank borrowings, equity fund-raising (such as share placements or rights issues), and disposal of certain assets to generate cash.

At the same time, the Company is negotiating with bondholders to secure undertakings not to demand repayment of principal or interest for more than one year. Such undertakings would allow the 2025 Convertible Bonds and accrued interest to be classified as long-term liabilities, thereby easing immediate liquidity pressure.

For details, please refer to our announcements dated 2 January 2026, 9 February 2026, 25 February 2026 and 12 March 2026, respectively, and the circular dated 9 February 2026 in relation to, among others, the connected transaction in relation to the amendments to the 2025 Convertible Bonds due 2025.

EQUITY-LINKED AGREEMENTS *(continued)*

(ii) 2024 Convertible Bonds

On 18 August 2023, the Company issued the 2024 Convertible Bonds with an aggregate principal amount of HK$30,011,500 due on 18 August 2024 to not less than six (6) placees under general mandate. The 2024 Convertible Bonds are unsecured, carry interest at 4.5% per annum on the principal amount and are redeemable at the option of the Company before the maturity date on 18 August 2024 (the "**Initial Maturity Date**"). On 18 February 2024, the Company redeemed part of the 2024 Convertible Bonds in the principal amount of HK$10,000,000. Upon the Initial Maturity Date, the Company redeemed an aggregate principal amount of HK$13,256,500 pursuant to the terms and conditions of the 2024 Convertible Bonds. For details, please refer to the Company's announcements dated 28 July 2023, 18 August 2023 and 11 June 2024 respectively, and monthly returns dated 5 March 2024 and 2 September 2024 respectively.

On 19 August 2024, the Company entered into four (4) deeds of amendments (the "**Deeds of Amendments**") with four (4) bondholders of the 2024 Convertible Bonds respectively in an aggregate outstanding principal amount of HK$6,755,000, pursuant to which the (i) maturity date of the 2024 Convertible Bonds be extended for one (1) year from 18 August 2024 to 18 August 2025 (the "**Extension**"); (ii) conversion price be changed from HK$0.193 to HK$0.15 per conversion Share representing a premium of approximately 42.85% to the closing price of HK$0.105 per Share as quoted on the Stock Exchange on 19 August 2024, being the date of the Deeds of Amendments; and (iii) interest rate be increased from 4.5% to 9.0% per annum for the Extension (the "**Amendments**"). Completion of the Amendments to the 2024 Convertible Bonds took place on 27 August 2024. For details, please refer to the Company's announcements dated 19 August 2024 and 27 August 2024 respectively.

The net proceeds raised from the issue of the 2024 Convertible Bonds have been fully utilised as the Company's general working capital.

Save as disclosed above, during the year ended 31 December 2025, no exercise of the conversion rights under the 2024 Convertible Bonds was made. The aggregate principal amount of the 2024 Convertible Bonds (i.e. HK$6,755,000) has been fully redeemed during the year and no amount of the 2024 Convertible Bonds was outstanding as at 31 December 2025.

Other than the 2025 Convertible Bonds and 2024 Convertible Bonds disclosed above and the Company's share option scheme disclosed in the section sub-headed "The 2021 Share Option Scheme" on pages 46 to 49 of this Report of the Directors, no other equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year or subsisted at the end of the year.

EMOLUMENT POLICY

The emolument policy of employees of the Group is set up by executive Directors on the basis of employees' performance, experience and prevailing industry practice.

The emolument of the Directors is determined by the Board after review and on the recommendation of the Remuneration Committee, having regard to factors such as time commitment and responsibilities of the Directors, the Company's performance and prevailing market practice.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of the Bermuda, which oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

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

On 25 February 2026, the special resolution in relation to the Capital Reorganisation was duly passed by way of poll by the Shareholders. Please refer to the announcements dated 2 January 2026, 9 February 2026 and 25 February 2026, respectively, and the circular dated 9 February 2026 for details. Up to the date of this report, the total number of issued Shares was 159,967,545 Shares.

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 46 to the consolidated financial statements and in the section headed "Consolidated Statement of Changes in Equity" on page 66 of this annual report, respectively.

DISTRIBUTABLE RESERVES

The Company's reserve available for distribution to the Shareholders as at 31 December 2025 and 2024 respectively, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK$841 million and HK$841 million respectively. In addition, the Company's share premium account, in the amount of approximately HK$272 million, may be distributed in the form of fully paid bonus Shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions of approximately HK$111,000 (2024: HK$56,000).

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers during the year ended 31 December 2025 is as follows:

	Percentage of the Group's total			
	Sales		Purchases	
	2025	2024	**2025**	2024
Largest customer	**3%**	3%		
Five (5) largest customers in aggregate	**14%**	14%		
Largest supplier			**68%**	58%
Five (5) largest suppliers in aggregate			**72%**	66%

None of the Directors or any of their respective close associates or any Shareholders (which to the knowledge of the Directors owns more than 5% of the Company's total number of issued Shares) had any interest in the Group's five (5) largest customers or suppliers.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to various risks in its businesses and operations. Through risk management and internal control systems and procedures, the Company has taken reasonable steps to ensure that significant risks are monitored and do not adversely affect the Group's operations and performance. The relevant risks are managed on an ongoing basis. A non-exhaustive list of principal risks and uncertainties facing the Group is set out below.

MARKET RISK

The Group's revenue is principally derived from Hong Kong. The conditions of the economy as a whole and the property market may have significant impact to the Group's financial results and conditions.

COMPLIANCE RISK

The Group's operations require compliance with local and overseas laws (including those of the PRC, Bermuda and the British Virgin Islands) and regulations, including but not limited to property sale, management and construction as well as companies and securities laws. The Group has constantly monitored its compliance with relevant laws and regulations that have a significant impact on the Group.

ACCOUNT OF KEY RELATIONSHIPS

The Group adheres to the standards of business ethics, this underpins how it conducts businesses with its customers and suppliers.

Employees

The Group values its employees who are the Group's most important assets. Staff are rewarded with competitive remuneration packages and benefits. The Group is committed to fostering a conducive, harmonious and discrimination-free working environment.

Occupational health and safety are the Group's top priority across its business operations. Safety guidelines are established to safeguard its employees from any occupational hazards.

ACCOUNT OF KEY RELATIONSHIPS *(continued)*

Customers

The Group strives to provide high quality and reliable services to its customers. The privacy of the Group's customers is well-protected through a privacy policy. Any complaints from customers are handled and investigated in a thorough and efficient manner.

Suppliers

The Group is committed to forging collaborative partnership with its suppliers and has a database of approved suppliers and vendors who are assessed on a regular basis.

AUDIT COMMITTEE

The Company has the Audit Committee in compliance with the requirements of the Listing Rules and the CG Code. The principal responsibilities of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. The Audit Committee comprises all three (3) INEDs as at 31 December 2025. The Audit Committee has met the Group's external auditor, Messrs. Crowe (HK) CPA Limited in person or by telephone, and has reviewed the audited consolidated financial statements, and risk management and internal control systems of the Group for the year ended 31 December 2025.

ESG REPORT

The Company has prepared the ESG Report in compliance with the ESG Reporting Code set out in Appendix C2 to the Listing Rules. This section highlights the ESG policies and performance of the Group for the year ended 31 December 2025. The Company is committed to addressing sustainability issues and managing ESG risks through prudent business planning and operational implementation. The Board, assisted by senior management of the Group, has the overall responsibility to review policies, oversee sustainability issues and address ESG-related risks. Through this internal sustainability governance framework, the Board has developed and formulated relevant policies which better align with the Group's business goals and objectives.

Discussion on environmental performance

The Group is devoted to the integration of corporate social responsibility into its day-to-day business operations to create long-term positive values and contribute to a better future for the community while minimisation of its operational environmental footprints is resulted. The Group has focused its efforts on environmental stewardship, energy efficiency, resource management and cultivation of environmental awareness amongst employees. The Group remains attentive to different energy-saving opportunities and adopts hardware upgrades to improve our energy efficiency with a comprehensive approach to waste and resource management, and its goal is to create a paperless office to minimise its paper usage.

ESG REPORT *(continued)*

Account of key relationships with employees, customers and suppliers

Employees

The Group makes great efforts to create a supportive, inclusive, caring and safe working environment which facilitates professional development and protects the health, safety and well-being of its employees. The Group emphasises on equal opportunities, and a fair and transparent recruitment process. The Group rewards its employees with attractive remuneration packages and benefits, which reference industry standards, and are commensurate with individual merit, work experience, qualifications and job duties. Tailor-made functional training programmes were arranged for its employees to keep abreast with the latest professional knowledge and skills. Additionally, the Group has set safety guidelines and systems to protect its employees and minimise potential occupational hazards across its operations.

To ensure all staff understand their responsibility to uphold the Group's ethical standards, the Group's employees handbook specifies clear expectations for professional conduct. All relevant anti-discrimination and personal data protection regulations are strictly observed.

In support of continual learning and development, the Group encourages its employees to pursue different interests and offers internal and external opportunities to realise their full potential. The Group continues to provide internal and external training opportunities such as seminars and training courses in order to strengthen its workforce and stock its talent pipeline.

The Group ensures its working environment is free from any potential occupational health and safety hazards, its internal safety guidelines were formulated in accordance with the requirements set out by the Labour Department to minimise risks. During the year, the Group fully complied with all relevant health and safety regulations and is pleased to report that there was no work-related fatalities.

Customers and suppliers

The Group has put in place stringent mechanisms and procedures on quality assurance, customer service, health and safety requirements, procurement procedures, and regulatory compliance. Management approach stresses control measures to ensure its stringent requirements are met, in cases where quality concerns may arise, a thorough investigation will be carried out and corrective actions will be promptly implemented. A complaint-handling mechanism has been formulated to ensure customer complaints are handled in a consistent and timely manner.

To promote corporate responsibility along its supply chain, the Group gives performance to businesses who share its sustainable practices and ethical standards. Regular supplier assessments and audits are conducted to ensure their compliance with its requirements.

Operating as a responsible business operator, the Group strictly adheres to all relevant data privacy regulations and maintain a high level of business ethics and product responsibility. The Group's privacy policy is established in accordance with local regulations to ensure that all personal data are handled in strict confidence.

Compliance status with relevant laws and regulations that have a significant impact on the business

During the year, there was no reported cases of non-compliance with relevant laws and regulations that have had a significant impact on the Group's businesses regarding the environment, employment, occupational health and safety, labour standards, product responsibility, anti-corruption, data privacy and intellectual properties. The ESG performance of the Group for the year ended 31 December 2025 is set out in the ESG Report.

DIRECTORS

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

Executive Directors:
Mr. MAK Shiu Tong, Clement *(Chairman and CEO)*
Ms. CHENG Yuk Ching, Flora *(Deputy Chairman)*

Independent non-executive Directors:
Mr. CHEN Li
Mr. CHOW Siu Ngor
Mr. LAU Ho Kit, Ivan

Pursuant to bye-law 87 of the Bye-laws and the CG Code, Mr. MAK Shiu Tong, Clement ("**Mr. MAK**"), an executive Director and Mr. LAU Ho Kit, Ivan, an INED, shall retire from office by rotation and, being eligible, have offered themselves for re-election at the forthcoming AGM.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management of the Group as at the date of this annual report are set out on pages 6 to 7 of this annual report.

DIRECTORS' REMUNERATION

The Directors' fees are subject to the Shareholders' approval at general meeting. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors is subject to retirement by rotation at the AGM for a term of up to three (3) years under bye-law 87 of the Bye-laws.

During the year ended 31 December 2025, none of the Directors being proposed for re-election at the forthcoming AGM has a service contract with the Group which is not determinable by the Group within one (1) year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this annual report, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the Group's businesses to which the Company or any of its subsidiaries was a party during the year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

There was no contract of significance between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries subsisting during or at the end of the year, and there was no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries.

SHARE OPTION SCHEME OF THE COMPANY

The 2021 Share Option Scheme

At the AGM held on 23 June 2021 (the "**2021 AGM**"), an ordinary resolution was passed by the Shareholders to adopt the 2021 Share Option Scheme. Unless otherwise cancelled or amended, the 2021 Share Option Scheme will be valid for ten (10) years from the adoption date, that is on 23 June 2021.

When the 2021 Share Option Scheme was approved by the Shareholders at the 2021 AGM and the Shareholders also approved that the total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the 2021 Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 10% of the issued Shares in issue as at the date of the 2021 AGM (that is 87,311,145 Shares). As at the date of the 2021 AGM, the total number of issued Shares was 873,111,452. The Shares which would have been issuable have lapsed or cancelled in accordance with the terms of the 2021 Share Option Scheme and any other share option scheme(s) of the Company will not be counted for the purpose of the 10% limit.

On 25 June 2021, the Listing Committee of the Stock Exchange granted approval for the listing of, and permission to deal in, such 87,311,145 Shares on the Stock Exchange which may fall to be allotted and issued by the Company pursuant to the terms and conditions of the 2021 Share Option Scheme.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the total number of the Shares in issue from time to time. No share options shall be granted under any share option scheme(s) (including the 2021 Share Option Scheme) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

As a result of the Capital Reorganisation on 27 February 2026, the maximum number of Shares which may fall to be issued pursuant to the granting of and exercise of any share options to be granted under the Share Option Scheme will be adjusted from 87,311,145 Existing Shares to 8,731,114.

As at the date of this annual report, the total number of share options available for grant under the 2021 Share Option Scheme is 8,731,114 and the total number of Shares which may be issued upon grant and exercise of all such share options is 8,731,114, which represents approximately 5.46% of the total number of issued Shares. The percentage of approximately 5.46% was calculated based on 159,967,545 issued Shares as at the date of this annual report.

SHARE OPTION SCHEME OF THE COMPANY *(continued)*

The 2021 Share Option Scheme *(continued)*

The purpose of the 2021 Share Option Scheme

The 2021 Share Option Scheme is to enable the Company to grant share options to the eligible participants, as incentives and/or rewards for their contributions or potential contributions to the Group and/or any entity interest in which any member of the Group holds any entity interest (the "**Invested Entity**") and/or the holding company of the Company (if applicable).

The eligible participants of the 2021 Share Option Scheme

The eligible participants of the 2021 Share Option Scheme include:

(a) any Director or proposed Director (whether executive, non-executive or independent non-executive Director), any executive, officer, employee or any person to whom any offer of employment has been made, executive or officer (whether full-time or part-time, on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) of the Group;

(b) any supplier or services provider or goods provider to offer more economic and quality supplies to the Group;

(c) any customer to maximise the quantity of their orders and increase loyalty to the Group;

(d) any adviser, professional, consultant and agent to provide better services to the Group; and

(e) business partner or shareholder(s) of any Invested Entity and/or the holding company of the Company and/or any member of the Group who have contributed or will contribute to the growth and development of the Group;

(collectively as the "**Eligible Participants**").

The maximum entitlement of each Eligible Participant under the 2021 Share Option Scheme

The total number of the Shares issued and which may fall to be issued upon exercise of the share options granted under the 2021 Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding share options) to each Eligible Participant in any twelve (12)-month period up to the date of grant shall not exceed 1% of the total number of the issued Shares as at the date of grant.

Any further grant of share options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in a general meeting with such Eligible Participant and his or her associates abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Any circular to be issued by the Company must disclose, amongst other things, the details of the share options, including share options exercised or outstanding.

Any grant of share options to a Director, chief executive or substantial Shareholder or any of their respective associates is required to be approved by the INEDs, excluding the INED(s) who is or are the grantee(s) of the share options.

SHARE OPTION SCHEME OF THE COMPANY *(continued)*

The 2021 Share Option Scheme *(continued)*

The maximum entitlement of each Eligible Participant under the 2021 Share Option Scheme (continued)

If the Company proposes to grant share options to a substantial Shareholder or any INED or their respective associates which will result in the number of the Shares issued and to be issued upon exercise of share options granted (including share options exercised, cancelled and outstanding) to such person in the twelve (12)-month period up to and including the date of the offer of such grant:

(a) representing in aggregate over 0.1% of the total number of the issued Shares as at the date of the offer; and

(b) having an aggregate value in excess of HK$5 million, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange as at the date of each offer,

such further grant of share options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting at which the grantee, his or her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting, and/or such other requirements prescribed under the Listing Rules from time to time except that the grantee, his or her associates and all core connected persons (as defined in the Listing Rules) of the Company may vote against the relevant resolution at the general meeting, provided that his or her intention to do so has been stated in the circular.

Time of exercise of and duration of share option(s)

There is no specific requirement under the 2021 Share Option Scheme that a share option must be held for any minimum period before it can be exercised, but the terms of the 2021 Share Option Scheme provide that the Board has the discretion to impose a minimum period at the time of grant of any particular share option(s).

The date of grant of any particular share option(s) is the date when the duplicate offer document constituting acceptance of the share option(s) duly signed by the grantee, together with a remittance in favour of the Company of HK$1.00 by way of consideration is received by the Company, such date must be on or before the 28th day after the share option(s) is or are offered to the relevant grantee(s).

The period during which the share option(s) may be exercised will be determined by the Board at its absolute discretion, save that no share option(s) may be exercised more than ten (10) years after it has been granted. No share option(s) may be granted upon the expiry of the tenth (10th) anniversary of the approval date of the 2021 Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board in accordance with the terms of the 2021 Share Option Scheme, the 2021 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption date, that is on 23 June 2021.

SHARE OPTION SCHEME OF THE COMPANY *(continued)*

The 2021 Share Option Scheme *(continued)*

Exercise price of the share option(s)

The exercise price for a Share in respect of any particular share option(s) granted under the 2021 Share Option Scheme (which shall be payable upon exercise of the share option(s)) shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

(a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day (and for this purpose shall be taken to be the date of the Board meeting at which the Board proposes to grant the share options);

(b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) business days immediately preceding the date of grant; and

(c) the nominal value of a Share.

The Company's share options do not confer rights on the holders to dividends or to vote at the general meetings of the Company.

No share options of the Company were granted, exercised, cancelled, lapsed or outstanding for the year ended 31 December 2025 and as at the date of this annual report.

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

As at 31 December 2025, the Directors and the chief executive of the Company (the "**Chief Executive**") and/or any of their respective associates had the following interests and short positions in the Shares, underlying Shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which the Directors or the Chief Executive were taken or deemed to have taken under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company:

Interests in the Shares and the underlying Shares as at 31 December 2025

Long Positions

		Number of Shares/underlying Shares			
Name of Director	**Capacity/ Nature of interests**	**Number of Shares**	**Number of Shares convertible under the 2025 Convertible Bonds**	**Total interests**	**Approximate % of the total number of issued Shares***
Executive Director					
Mr. MAK Shiu Tong, Clement ("**Mr. Mak**")	Beneficial owner	25,589,652	–	25,589,652	1.59%
	Interests of controlled corporations	1,173,953,079 *(Note 1)*	518,750,000 *(Note 2)*	1,692,703,079	105.81%
				1,718,292,731	**107.41%**

* The percentage was calculated based on 1,599,675,452 Shares in issue as at 31 December 2025.

Notes:

1. The interests disclosed represented an aggregate of 1,173,953,079 Shares which were held by Capital Force, New Capital and Capital Winner as at 31 December 2025. All these companies are private corporations as to 51% owned by Mr. Mak and as to 49% owned by Mr. MAK Chun Kiu, a son of Mr. Mak, beneficially. Mr. Mak is deemed to be interested in 1,173,953,079 Shares by virtue of the SFO.

2. The interests disclosed represented 518,750,000 underlying Shares, as at 31 December 2025, at the initial conversion price of HK$0.16 per conversion Share (subject to adjustments pursuant to the terms and conditions of the 2025 Convertible Bonds) in respect of the 2025 Convertible Bonds issued by the Company to Treasure Goal on 20 January 2023. Treasure Goal is a private corporation of which wholly-owned by Mr. Mak beneficially. Mr. Mak is deemed to be interested in such underlying Shares by virtue of the SFO. Under the terms and conditions of the 2025 Convertible Bonds, the exercise of the conversion rights attached to the 2025 Convertible Bonds shall not cause the Company to be unable to meet the public float requirements under the Listing Rules.

Save as disclosed above, as at 31 December 2025, none of the Directors or the Chief Executive and/or any of their respective associates had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO), which would be required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part VX of the SFO (including interests which the Directors or the Chief Executive would be taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company under Section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed under the sections headed "SHARE OPTION SCHEME OF THE COMPANY" and "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above, at no time during the year was the Company, or any of its holding companies, subsidiaries or associated corporations, a party to any arrangement to enable the Directors and the Chief Executive (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the Shares or underlying Shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, so far as is known to the Directors or the Chief Executive, the interests or short positions of the persons or corporations other than a Director or the Chief Executive, in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Interests in the Shares and the underlying Shares as at 31 December 2025

Long Positions

		Number of Shares/underlying Shares			
Name of substantial Shareholders	**Capacity/ Nature of interests**	**Number of Shares**	**Number of Shares convertible under the 2025 Convertible Bonds**	**Total Interests**	**Approximate % of the total number of issued Shares***
Capital Force *(Note 1)*	Beneficial owner	252,921,792	–	252,921,792	15.81%
New Capital *(Note 1)*	Beneficial owner	452,607,615	–	452,607,615	28.29%
Capital Winner *(Note 1)*	Beneficial owner	468,423,672	–	468,423,672	29.28%
Treasure Goal *(Note 2)*	Beneficial owner	–	518,750,000 *(Note 4)*	518,750,000	32.42%
Mr. MAK Chun Kiu ("**Mr. TK Mak**")	Interests of controlled corporations	1,173,953,079 *(Notes 1 and 3)*	30,750,000 *(Note 5)*	1,204,703,079	77.49%

* The percentage was calculated based on 1,599,675,452 issued Shares as at 31 December 2025.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

Interests in the Shares and the underlying Shares as at 31 December 2025 *(continued)*

Long Positions (continued)

Notes:

1. Capital Force, New Capital and Capital Winner are private companies, the shares of which are owned as to 51% by Mr. Mak and as to 49% by Mr. TK Mak, a son of Mr. Mak, beneficially.

2. Treasure Goal is a private corporation, the shares of which are wholly-owned by Mr. Mak beneficially.

3. The interests disclosed represented an aggregate of 1,173,953,079 Shares which were held by Capital Force, New Capital and Capital Winner as at 31 December 2025. Mr. TK Mak is deemed to be interested in 1,173,953,079 Shares (according to the shareholding structure as described in Note 1 above) by virtue of the SFO.

4. The interests disclosed representing 518,750,000 underlying Shares in respect of the 2025 Convertible Bonds held by Treasure Goal. Under the terms and conditions of the 2025 Convertible Bonds, the exercise of the conversion rights attached to the 2025 Convertible Bonds shall not cause the Company to be unable to meet the public float requirements under the Listing Rules.

5. On 30 July 2025, the Company redeemed a part of the 2025 Convertible Bonds held by Cheer Fame with the principal amount of HK$5,580,000 (convertible into 34,875,000 conversion Shares at the initial conversion price of HK$0.16 each), details of which were set out in the announcements of the Company dated 25 July 2025 and 30 July 2025. The interests disclosed representing 30,750,000 outstanding underlying Shares in respect of the 2025 Convertible Bonds held by Cheer Fame as at 31 December 2025 and Mr. TK Mak, a son of Mr. Mak, is deemed to be interested in these 30,750,000 outstanding underlying Shares by virtue of the SFO.

Save for Mr. Mak who is a director and a beneficial owner of 51% of the issued share capital of Capital Force, New Capital and Capital Winner; and the beneficial and ultimate owner of all the issued share capital of Treasure Goal, no other Director is a director or an employee of the above substantial Shareholders which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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

COMPLIANCE WITH THE CG CODE

In the opinion of the Directors, the Company has complied with all the applicable code provisions of the CG Code throughout the year from 1 January 2025 to 31 December 2025, except for the deviations from code provision C.2.1 of the CG Code for the relevant periods. Detailed information of such deviations with considered reasons as well as other information on the corporate governance practices of the Company are set out in the section headed "Corporate Governance Report" from pages 20 to 36 of this annual report.

In addition, some management action plans to be implemented by Company have been stated under the sub-section headed "Management action plans" under the section headed "CORPORATE GOVERNANCE PRACTICES" in the Corporate Governance Report of this annual report as required by the CG Code.

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

Upon specific enquiry by the Company and following confirmations from the Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CHANGE IN COMPOSITION OF THE BOARD

During the year from 1 January 2025 and up to the date of this annual report, there was no change on the composition of the Board and the Board committees.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the total issued share capital of the Company as required under Rule 8.08(1)(a) of the Listing Rules throughout the financial year under review and up to the date of this annual report.

CONNECTED TRANSACTION

On 25 July 2025, East Advance Holding Limited ("**East Advance**") (as vendor), a direct wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Cheer Fame (as purchaser), a connected person under Chapter 14A of the Listing Rules, pursuant to which East Advance agreed to sell and Cheer Fame agreed to purchase the entire issued share capital of Cosmo Classic Limited ("**Cosmo Classic**"), an investment holding company, and together with its subsidiaries (the "**Cosmo Classic Group**"), which were engaged in the business of provision of landscape design services, retail sale of flowers and plants and provision of food and beverages, for a consideration of HK$5,580,000 (the "**Disposal**"). The Disposal constituted a discloseable and connected transaction under Chapters 14 and 14A of the Listing Rules. As each of the applicable percentage ratios (other than the profits ratio) is less than 5% and the total consideration of the transaction is less than HK$10,000,000, the transaction is subject to the reporting and announcement requirements and is exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Completion of the Disposal took place on 30 July 2025. Cosmo Classic ceased to be a subsidiary of the Group and the financial results of the Cosmo Classic Group ceased to be consolidated into the Group's consolidated financial statements. For details, please refer to the Company's announcements dated 25 July 2025 and 30 July 2025 respectively.

RELATED PARTY TRANSACTIONS

The related party transactions of the Group during the year ended 31 December 2025 which were undertaken in the normal course of business are set out in note 41 to the consolidated financial statements. For those related party transactions that constituted connected transaction under the Listing Rules (the "**Connected Transaction**") as disclosed in the above section headed "CONNECTED TRANSACTION", this transaction was subject to reporting and announcement requirements and exempt from circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules. Other than the Connected Transaction, the other transactions did not constitute connected transactions or continuing connected transactions, which were required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

PERMITTED INDEMNITY PROVISION

Bye-law 168 of the Bye-laws provides that each Director or other officers 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 or any of them 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 or any of their duty, or supposed duty, in their respective offices and related matters provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of them. In this connection, the Company has maintained appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company in respect of relevant legal actions during the year.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors or any of their respective associates is interested in any business competing or likely to compete, either directly or indirectly, with the Group's business that is discloseable under Rule 8.10(2) of the Listing Rules.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 were audited by Messrs. Crowe (HK) CPA Limited. A resolution will be proposed at the forthcoming AGM to re-appoint them as auditor of the Company.

EVENT AFTER THE END OF THE REPORTING PERIOD

Pursuant to a special resolution passed on 25 February 2026, the Company implemented the capital reorganisation which comprise:

(i) the share consolidation whereby every ten (10) issued ordinary shares of HK$0.10 each of the Company were consolidated into one (1) issued consolidated ordinary share of HK$1.00 each (the "**Consolidated Share**") in the issued and unissued share capital of the Company effective on 27 February 2026; and

(ii) the capital reduction whereby the par value of all the then issued Consolidated Shares shall be reduced from HK$1.00 each to HK$0.10 each by cancelling the paid-up capital of the Company to the extent of HK$0.90 on each of the then Consolidated Shares in issue. All credit of approximately of HK$143,970,791 arising from the capital reduction was transferred to the contributed surplus account for use by the Board in any manner permitted by the Companies Act and the Bye-laws.

Save as disclosed above and in note 45 to the financial statements, there is no material subsequent event undertaken by the Group after the end of the reporting period and up to the date of this annual report which may have a significant effect on the assets and liabilities or future operations of the Group.

On behalf of the Board of
CCT FORTIS HOLDINGS LIMITED

MAK Shiu Tong, Clement
Chairman

Hong Kong, 30 March 2026

In case of any inconsistency, the English version of this annual report shall prevail over the Chinese version.

Independent Auditor's Report

Crowe

To the shareholders of CCT Fortis Holdings Limited
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of CCT Fortis Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 62 to 164, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 OF 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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties relating to going concern

As set out in note 1.2 to the consolidated financial statements, the Group recorded a net loss of approximately HK$327 million and, as at 31 December 2025, the Group had net current liabilities of approximately HK$191 million. On the same date, the Group had cash and bank balances of HK$12 million and interest-bearing bank and other borrowings of HK$1,666 million (including borrowings of HK$5 million in the disposal groups), among which HK$538 million are due for repayment within twelve (12) months from the end of the reporting period, and convertible bonds of approximately HK$88 million which will be due for repayment on 31 December 2025. In order to meet the Group's daily operation needs and its monthly repayment of the term loans, the Group has been disposing certain of its assets, such as assets of disposal groups classified as held for sale and valuable collections held for investments, to generate cash flows to meet the working capital requirements. However, given the market conditions, uncertainties remain as to the Group's ability to timely dispose of these assets in order to meet its working capital requirements. Furthermore, as detailed in note 1.2 to the consolidated financial statements, the Group had breached certain financial covenants for its loans of HK$1,045 million during the year and waiver was obtained from the bank which is valid until 31 December 2026. Furthermore, any adverse conditions or developments could also consequently trigger the unsuccessful renewals of the Group's revolving loans of HK$254 million, which are subject to the lenders' discretion every three to twelve months. These conditions, along with other matters set forth in note 1.2 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit address the key audit matter
Recoverability assessment of trade and other recoverables	
At 31 December 2025, the Group had trade and other receivables with an aggregate carrying amount of HK$124 million, representing approximately 5% of the total assets of the Group. Management uses the simplified approach and general approach to calculate ECLs for trade receivables and other receivables, respectively. The Group made allowance for ECLs on trade and other receivables aggregating to HK$11 million as at 31 December 2025. Significant judgements and estimations are involved in determining the ECLs. Disclosures of the recoverability assessment of trade and other receivables are included in notes 3, 23 and 25 to the financial statements.	Audit procedures: • Obtain an understanding of the ECL model applied by the management of the Company for the estimation of the impairment of trade and other receivables; • Understand the valuation methodology, significant assumptions adopted and significant unobservable inputs used in the valuation; • Assess the reasonableness of the grouping used by management by evaluating the credit risk characteristics of trade receivables; • Obtain and test the ageing analysis of trade receivables, on a sample basis, to the underlying supporting documents; • Evaluate the appropriateness of historical period selection and the reliability of the key data input to calculate historical default rate; • Evaluate whether the historical loss rates are appropriately adjusted based on current economic condition and forward-looking information; • Evaluate the appropriateness of inputs and assumptions applied in determination of impairment of other receivables; and • Test the mathematical accuracy of the calculation of ECL, on a sample basis.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit address the key audit matter
Valuation of investment properties At 31 December 2025, the Group had investment properties with carrying amount of HK$590 million stated at fair value. The investment properties held by the Group represented approximately 24% of the total assets of the Group. Significant management judgements and estimates are involved in determining the fair value of the investment properties. To assist in the determination of the fair value of the investment properties, management engaged an external valuer. Disclosures of the investment properties are included in notes 3 and 15 to the financial statements.	Audit approach: • Evaluate the competence, capabilities, and objectivity of the valuer and obtain an understanding of the valuer's scope of work and their terms of engagement; • Evaluate the appropriateness of the valuer's valuation approach to assess if they are consistent with the requirements of HKFRS Accounting Standards; • Obtain detailed work of the valuer, particularly the key inputs to the valuation on investment properties including but not limited to the comparable market prices of properties, term yield and reversionary yield of rental income; and • Evaluate the accuracy and relevance of key data inputs underpinning the valuation and challenging the reasonableness of the key assumptions applied based on available market data and our knowledge of the property industry in Hong Kong.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors 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.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong

TSUI Kar Lam Karen
Practising Certificate Number: P06426

30 March 2026

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

HK$ million	Notes	2025	2024 (Restated)
CONTINUING OPERATIONS			
REVENUE	5	**606**	530
Cost of sales and services rendered		**(508)**	(414)
Gross profit		**98**	116
Other income and gains, net	5	**53**	23
Selling and distribution costs		**(19)**	(24)
Administrative expenses		**(190)**	(241)
Fair value losses on investment properties, net	15	**(1)**	(17)
Fair value loss on investment in a film	24	**(64)**	–
Impairment of assets of disposal groups classified as held for sale		**(79)**	(104)
Impairment of promissory note receivable		**(5)**	(11)
Impairment of trade receivables, net		**–***	(2)
Impairment of other receivables written back/(made), net		**1**	(1)
Other expenses, net		**(2)**	(25)
Finance costs	7	**(127)**	(116)
Share of profits of associates		**–**	3
LOSS BEFORE TAX	6	**(335)**	(399)
Income tax	10	**15**	–*
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(320)**	(399)
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	11	**4**	3
Loss on disposals of discontinued operations		**(11)**	–
		(7)	3
LOSS FOR THE YEAR		**(327)**	(396)
Attributable to owners of the Company			
Continuing operations		**(320)**	(399)
Discontinued operations		**(7)**	3
		(327)	(396)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	13		
Basic and diluted			
From continuing and discontinued operations		**(HK$2.04)**	(HK$2.47)
From continuing operations		**(HK$2.00)**	(HK$2.49)
From discontinued operations		**(HK$0.04)**	HK$0.02

* Less than HK$1 million

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

HK$ million	2025	2024 (Restated)
LOSS FOR THE YEAR	**(327)**	(396)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
— Revaluation of the leasehold land and buildings	**14**	339
Other comprehensive income for the year	**14**	339
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(313)**	(57)
ATTRIBUTABLE TO OWNERS OF THE COMPANY:		
— Continuing operations	**(306)**	(60)
— Discontinued operations	**(7)**	3
	(313)	(57)

Consolidated Statement of Financial Position

As at 31 December 2025

HK$ million	Notes	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	14	**952**	973
Investment properties	15	**590**	610
Goodwill	16	**–**	17
Investment in unlisted shares		**1**	–
Valuable collections held for investments	19	**134**	235
Other receivables	25	**–**	1
Total non-current assets		**1,677**	1,836
Current assets			
Inventories	20	**98**	80
Stock of valuable collections held for sale	21	**96**	–
Trade receivables	23	**18**	27
Investment in a film	24	**16**	80
Prepayments and other receivables	25	**176**	153
Financial assets at fair value through profit or loss	26	**5**	5
Promissory note receivable	27	**130**	135
Pledged time deposits	28	**17**	20
Cash and cash equivalents	28	**12**	45
		568	545
Assets of disposal groups classified as held for sale	22	**255**	405
Total current assets		**823**	950
Total assets		**2,500**	2,786

Consolidated Statement of Financial Position (continued)

As at 31 December 2025

HK$ million	Notes	2025	2024
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Issued capital	33	**160**	160
Reserves	35	**198**	512
Total equity		**358**	672
Non-current liabilities			
Interest-bearing bank and other borrowings	31	**1,128**	14
Total non-current liabilities		**1,128**	14
Current liabilities			
Trade payables	29	**50**	42
Tax payable		**–**	–*
Other payables and accruals	30	**336**	450
Interest-bearing bank and other borrowings	31	**533**	1,462
Convertible bonds	32	**88**	96
		1,007	2,050
Liabilities directly associated with the assets classified as held for sale	22	**7**	50
Total current liabilities		**1,014**	2,100
Total liabilities		**2,142**	2,114
Total equity and liabilities		**2,500**	2,786
Net current liabilities		**(191)**	(1,150)
Total assets less current liabilities		**1,486**	686

* Less than HK$1 million

Mak Shiu Tong, Clement
Chairman

Cheng Yuk Ching, Flora
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

HK$ million	Attributable to owners of the Company									
	Issued capital	Share premium account	Capital reserve (note 35)	Distributable reserve	Equity component of convertible bonds (note 32)	Asset revaluation reserve	Exchange fluctuation reserve	Capital redemption reserve	Accumulated losses	Total equity
At 1 January 2024	160	272*	751*	841*	19*	44*	29*	24*	(1,409)*	731
Loss and total comprehensive loss for the year	–	–	–	–	–	–	–	–	(396)	(396)
Revaluation of leasehold land and buildings (note 14)	–	–	–	–	–	339	–	–	–	339
Total comprehensive income/(loss) for the year	–	–	–	–	–	339	–	–	(396)	(57)
Redemption of convertible bonds (note 32)	–	–	–	–	(4)	–	–	–	2	(2)
Modification of convertible bonds (note 32)	–	–	–	–	–#	–	–	–	–	–#
At 31 December 2024 and 1 January 2025	**160**	**272***	**751***	**841***	**15***	**383***	**29***	**24***	**(1,803)***	**672**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(327)**	**(327)**
Revaluation of leasehold land and buildings (note 14)	**–**	**–**	**–**	**–**	**–**	**14**	**–**	**–**	**–**	**14**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**–**	**14**	**–**	**–**	**(327)**	**(313)**
Redemption of convertible bonds (note 32)	**–**	**–**	**–**	**–**	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Transfer upon expiry of convertible bonds	**–**	**–**	**–**	**–**	**(14)**	**–**	**–**	**–**	**14**	**–**
At 31 December 2025	**160**	**272***	**751***	**841***	**–***	**397***	**29***	**24***	**(2,116)***	**358**

* These reserve accounts comprise the consolidated reserves of HK$198 million (2024: HK$512 million) in the consolidated statement of financial position.

\# Less than HK$1 million

Consolidated Statement of Cash Flows

Year ended 31 December 2025

HK$ million	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax from			
— continuing operations		**(335)**	(399)
— discontinued operations		**(7)**	3
		(342)	(396)
Adjustments for:			
Finance costs	7	**127**	116
Share of profits of associates		**–**	(3)
Depreciation	6	**81**	100
Write off of property, plant and equipment		**–**	3
Impairment of trade receivables, net		**–**	2
Impairment of other receivables (written back)/made, net		**(1)**	1
Impairment of promissory note receivable		**5**	11
Impairment of investments in associates	6	**–**	4
Impairment of assets of disposal groups classified as held for sale		**79**	104
Fair value losses on financial assets at fair value through profit or loss	6	**–***	–*
Fair value losses on investment properties, net	15	**1**	17
Fair value loss on investment in a film		**64**	–
Fair value gain on valuable collections held for investments, net	6	**(25)**	–*
(Gain)/loss on disposal of valuable collections held for investments	6	**(3)**	18
Loss/(gain) on disposal of subsidiaries	6	**13**	(4)
Gain on early redemption of convertible bonds	6	**(1)**	(1)
		(2)	(28)
Increase in inventories		**(18)**	(15)
Increase in trade receivables		**(6)**	(4)
Increase in prepayments, deposits and other receivables		**(8)**	(24)
Decrease in promissory note receivable		**–**	2
Increase in trade payables		**9**	8
(Decrease)/increase in other payables and accruals		**(101)**	31
Cash used in operations		**(126)**	(30)
Interest paid		**(123)**	(110)
Net cash flows used in operating activities		**(249)**	(140)

* Less than HK$1 million

Consolidated Statement of Cash Flows (continued)

Year ended 31 December 2025

HK$ million	Notes	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(14)**	(5)
Proceeds from disposal of property, plant and equipment		**3**	2
Proceeds from disposal of investment properties in the disposal groups classified as held for sale		**82**	–
(Payments)/proceeds from disposal of subsidiaries, net of cash and bank balance	36	**(3)**	107
Proceeds from disposal of an associate		**8**	–
Proceeds from disposal of valuable collections held for investments		**33**	48
Decrease in pledged time deposits		**3**	–
Net cash flows from investing activities		**112**	152
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		**787**	449
Repayment of bank and other borrowings		**(608)**	(398)
Repayment of bank and other borrowings in the disposal groups classified as held for sale		**(33)**	–
Redemption of convertible bonds		**(7)**	(13)
Principal portion of lease payments		**(35)**	(52)
Net cash flows from/(used in) financing activities		**104**	(14)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(33)**	(2)
Cash and cash equivalents at beginning of year		**45**	47
CASH AND CASH EQUIVALENTS AT END OF YEAR		**12**	45
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	**12**	45

Notes to the Financial Statements

31 December 2025

1.1 CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands with limited liability and continued as an exempted company under the laws of Bermuda after the change of domicile from the Cayman Islands to Bermuda effective on 9 December 2005.

During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") were involved in the following activities:

- investment and holding of properties;
- trading in securities and holding of securities and financial assets;
- trading and sale of Ferrari vehicles and provision of after-sales services for Ferrari automotives;
- trading and sale of Maserati vehicles and provision of after-sales services for Maserati automotives;
- acquisition of classic cars and collectible precision devices for long-term investment purpose, trading and sale of classic cars and car logistics business (car logistics business was disposed during the year ended 31 December 2025 as disclosed in note 36 to the financial statement);
- cultural entertainment business included film operations; and
- supportive and start-up businesses including the running of a classic car service centre and artist management.

1.1 CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Billion Spread Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment and holding
Blackbird Classic Automobiles Limited	Hong Kong	HK$1,000 Ordinary	–	100	Investment in classic cars
Blackbird Concessionaires	Hong Kong	HK$135,000,001 Ordinary	–	100	Distribution of Ferrari vehicles and provision of after-sales services as an official importer of Ferrari in Hong Kong and Macau
Blackbird Heritage Motorworks Limited	Hong Kong	HK$1 Ordinary	–	100	Classic car restoration and maintenance services
Blackbird Tridente	Hong Kong	HK$28,800,001 Ordinary	–	100	Distribution of Maserati vehicles and provision of after-sales services as an official importer of Maserati in Hong Kong and Macau
Blackbird Watch Manual Company Limited	Hong Kong	HK$1 Ordinary	–	100	Investment in collectible precision devices
CCT Securities	Hong Kong	HK$1 Ordinary	–	100	Securities business
Cyber Profit (HK) Limited	Hong Kong	HK$2 Ordinary	–	100	Property investment and holding

1.1 CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Name	Place of incorporation/ registration and business	Issued ordinary capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Dragon Glory Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment and holding
Edition Cars Company Limited	Hong Kong	HK$48,717,994 Ordinary	–	100	Trading of classic cars
Goldbay Capital Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment
Goldbay Development Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment
Goldbay Investments Limited	Hong Kong	HK$2 Ordinary	–	100	Property investment and holding
Goldbay Property (China) Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment
Goldbay Strategy Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment
Rich Full International Industries Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment
Topcon Investments Limited	Hong Kong	HK$1 Ordinary	–	100	Property investment

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Company's Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the reporting period.

1.2 BASIS OF PRESENTATION

Going concern basis

For the year ended 31 December 2025, the Group recorded a net loss of approximately HK$327 million and, as at 31 December 2025, the Group had net current liabilities of approximately HK$191 million. On the same date, the Group had cash and bank balances of HK$12 million and interest-bearing bank and other borrowings of HK$1,666 million (including borrowings of HK$5 million in the disposal groups), among which HK$538 million are due for repayment within 12 months from the end of the reporting period, and convertible bonds of HK$88 million which have been due for repayment on 31 December 2025.

In order to meet the Group's daily operation needs and its monthly repayment of the term loans, the Group has been disposing certain assets, such as assets of disposal groups classified as held for sale and valuable collections held for investments, to generate cash flows to meet the working capital requirements.

As at 31 December 2025, the Group had breached certain financial covenants for its bank borrowings of HK$1,045 million, waiver was obtained from the respective bank which is valid until 31 December 2026.

In addition, the Group's revolving loans of HK$254 million are subject to renewal at the discretion of the lenders every three (3) to twelve (12) months.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(a) the Group is actively discussing with potential buyers to dispose of the assets;

(b) the Group is able to renew and roll over the revolving, trading and working capital loans with more favourable financial covenants to be fulfilled by the Group upon or before the maturity dates;

(c) the Group is actively discussing with financial advisor for potential capital transactions;

(d) the Group will continue to improve the sales and collection of outstanding trade receivables; and

(e) the Group will continue to take active measures to control its administrative costs and manage its capital expenditure.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least twelve (12) months from the reporting date, prepared by the management. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve (12) months from 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

1.2 BASIS OF PRESENTATION *(continued)*

Going concern basis *(continued)*

As stated above, (i) the Group's revolving loans, totaling HK$254 million, are subject to renewal every three (3) to twelve (12) months at the discretion of the lenders. Historically, the Group has demonstrated a consistent track record of renewing these loans, which are primarily utilised for ongoing trading activities. The standardised renewal terms, coupled with the Group's continuous trading operations, provide a solid foundation for the banks to renew the loans. The continuity of the Group's trading activities and the strong banking relationships constitute a favorable outlook for the anticipated renewal of the revolving loans; and (ii) the Group is required to comply with financial covenant for its bank borrowings. In instances of non-compliance, historical precedent indicates that banks have shown a preference for negotiation, leading to mutually agreeable resolutions, rather than exercising their rights. This preference for dialogue and resolution is evidenced by the Group's successful negotiations in obtaining waivers for the financial covenant in 2024 and 2025. Banks remain open to considering further revisions to the terms and extension of waivers upon receiving requests by the Group and willing to engaging in negotiations.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon (a) the successful and timely disposals of the Group's assets to satisfy the repayments of term loans; (b) the successful renewal of banking facilities such as revolving, trading and working capital loans with more favourable financial covenants to be fulfilled by the Group upon or before the maturity dates; (c) the successful completion of capital transactions to improve the net asset position of the Group; and (d) the successful and timely implementation of the plans to enhance operating cash flows in order to improve the Group's working capital.

The Group completed the disposal of its associates engaged in stage audio and lighting and stage engineering operations in its cultural entertainment business, for approximately HK$8 million on 28 February 2025. The Group also disposed of a property to an independent third party at a consideration of HK$82 million on 25 August 2025. The Group continues to contemplate the potential disposal of assets to enhance liquidity and reduce indebtedness.

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

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosures required by the Listing Rules. They have been prepared under the historical cost convention, except for certain class of property, plant and equipment (i.e. leasehold land and building), investment properties, valuable collections held for investments, investment in a film and financial assets at fair value through profit or loss which have been measured at fair value. Assets of disposal groups held for sale are stated at lower of their carrying amounts and fair values less cost to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest million except when otherwise indicated.

2 ACCOUNTING POLICIES *(continued)*

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation

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

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2 ACCOUNTING POLICIES *(continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group's financial annual period beginning on or after 1 January 2025, to the consolidated financial statements for the current accounting year:

Amendments to HKAS 21	*Lack of Exchangeability*

The nature and the impact of the amendments to HKFRS Accounting Standards are described below:

Amendments to HKAS 21 Lack of Exchangeability

The amendments specify a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the prevailing economic conditions.

When a currency is not exchangeable, an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The amendments have no material impact on the Group's consolidated financial statements for the current year.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amendments to HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these HKFRS Accounting Standards, if applicable, when they become effective.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[1]
HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and subsequent amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 Effective for annual periods beginning on or after a date to be determined

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

2 ACCOUNTING POLICIES *(continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(continued)*

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

The amendments include:

(a) clarification and further guidance for assessing whether the contractual cash flows of a financial asset meets the solely payments of principal and interest criterion;

(b) clarification of the date of recognition and derecognition of some financial assets and liabilities, with an accounting policy option to allow an entity to derecognise a financial liability before the settlement date if it is settled in cash using an electronic payment system if specified criteria are met;

(c) new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income; and

(d) new disclosure requirements for financial instruments with contractual terms that could change the amount of contractual cash flows based on the occurrence (or non-occurrence) of a contingent event.

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

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRS Accounting Standards

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements* ("**HKAS 1**"). It carries forward many requirements from HKAS 1 unchanged. HKFRS 18 brings major changes to the statement of profit or loss and notes to the financial statements as follows:

(a) HKFRS 18 requires an entity:

  (i) to classify income and expenses into operating, investing and financing categories in the statement of profit or loss, plus income taxes and discontinued operations;

  (ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.

(b) It requires an entity to disclose management-defined performance measures ("**MPM**") and reconciliations between MPM and subtotals listed in HKFRS 18 or totals or subtotals required by HKFRS Accounting Standards.

(c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

2 ACCOUNTING POLICIES *(continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(continued)*

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRS Accounting Standards *(continued)*

HKFRS 18 also set out classification requirements for foreign exchange differences, gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 *Basis of Preparation of Financial Statements* and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18 and consequential amendments to other HKFRS Accounting Standards are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact on the consolidated financial statements.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

The Group assesses whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate (higher of value in use and fair value less costs of disposal) and its carrying value (including goodwill), and then recognises impairment of investments in associates and share of profits of associates separately in the statement of profit or loss.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Goodwill *(continued)*

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, valuable collections held for investments, leasehold land and building, investment in a film and financial assets at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than valuable collections held for investments, inventories, financial assets, investment properties, leasehold land and building and assets of disposal groups classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit ("**CGU**") to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in-use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

(vi) the entity is controlled or jointly controlled by a person identified in (a) above;

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

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Leasehold land (included in right-of-use assets) and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

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

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

Buildings and leasehold improvement	Shorter of lease terms and 6%–20%
Plant and machinery	10%–20%
Tools and equipment	10%–33%
Furniture and office equipment	10%–20%
Motor vehicles	15%–30%

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

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Disposal group held for sale

Disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such disposal group and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Disposal group (other than investment properties and financial assets) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Valuable collections held for investments

Valuable collections comprising classic cars and collectible precision devices held for long-term investment purposes and not traded in the ordinary course of business are initially measured at cost. Subsequent to initial recognition, valuable collections held for long-term investments purposes are stated at fair value with gains and losses from the change in fair value recognised in the statement of profit or loss.

For a transfer from valuable collections held for investments to stock held for sale, the deemed cost of the valuable collections for subsequent accounting is its fair value at the date of change in use.

Film investment

Film investment is the Group's investment in film production project which entitles the Group to share certain percentage of income to be generated from the related film based on the Group's investment portion as specified in respective film investment agreement but the Group has no control nor joint control over the investment. Film investment is carried at fair value.

Stock of valuable collections held for sale

Stock of valuable collections held for sale are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of Ferrari cars is determined based on different component costs derived from specific unique requirements of each customer. Cost of other inventories is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (that do not contain a purchase option) and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

Group as a lessee (continued)

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

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

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Office premises	2–5 years
Motor vehicles	3–4 years
Other equipment	2–5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group's right-of-use assets are included in property, plant and equipment.

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

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

Group as a lessee (continued)

(b) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments or a change (e.g., a change to future lease payments resulting from a change in an index or rate) in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income, except for investment properties measured under fair value model. Contingent rents, that do not depend on an index or a rate, are recognised as revenue in the period in which they are earned.

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

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

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all financial assets stated at amortised cost and fair value through other comprehensive income (other than equity instruments designated at fair value through other comprehensive income). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group determines the ECL on these items collectively based on internal credit rating as grouping for various debtors with shared credit risk characteristics by reference to repayment history of the debtor, adjusted for factors in relation to general economic conditions of the automobile industry, relevant country default risk and an assessment of both the current as well as the forecast direction at the reporting date.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Significant increase in credit risk

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

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

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

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Definition of default

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

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

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties of the issuer.

Write-off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of convertible bonds, loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, convertible bonds, and interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, and borrowings)

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

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

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

When the contractual terms of financial liability are modified such that the revised terms would result in a substantial modification from the original terms after considering qualitative factors (e.g. modifications of convertible instruments). When the contractual terms of a convertible instrument are modified, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Derecognition of financial liabilities

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

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

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

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

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

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

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

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

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

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

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the properties are depreciable and are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the properties over time, rather than through sale.

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

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

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Principal versus agent

In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products or services before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products or services.

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

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

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

(i) Sale of classic cars

Revenue from the sale of classic cars is recognised at the point in time when control of the classic cars is transferred to the customer, generally on delivery of the classic cars. Revenue from the service and maintenance of classic cars is recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group.

(ii) Income from Ferrari dealership and Maserati importership

Revenue from the trading of new and pre-owned cars is recognised at the point in time when control of the cars is transferred to the customer, generally on delivery of the cars. Revenue from the service and maintenance of Ferrari and Maserati cars is recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

(i) Rental income

Rental income is recognised on a time proportion basis over the lease terms.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Defined benefit plan obligations

The Group has a defined benefit plan, representing long service payment ("**LSP**") under the Hong Kong Employment Ordinance. The Group's net defined benefit obligation in respect of LSP is recognised in the consolidated statement of financial position. The Group's net defined benefit obligation is measured by discounting the estimated cost to the Group of the benefit that employees have earned in return for their service in the current and prior periods, after deducting the negative service cost arising from the accrued benefits derived from the Group's Mandatory Provident Fund ("**MPF**") contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

2 ACCOUNTING POLICIES *(continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

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

Judgements *(continued)*

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Classification between valuable collections held for investments and stock of valuable collection held for sale

The Group determines whether a valuable collection is held for long-term investment purposes, or for trading in the ordinary course of business. Judgement is made on an individual item basis to determine whether the valuable collection is classified as held for investment or held for sale.

Deferred tax related to leasehold land and buildings

The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. In respect of the leasehold land and buildings, significant management judgement is required to determine the expected manner of recovery of the leasehold land and buildings (i.e. whether the Group expects to recover the asset through sale or through use). Based on the business plan of the Group and the activities being taken by the management, management has determined that the leasehold land and buildings will be recovered through sale. Accordingly, the deferred tax liabilities relating to the leasehold land and buildings were measured on a recovery through sale basis and no deferred tax was recognised as at 31 December 2025.

Principal versus agent

The Group is engaged in trading of car business. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to the entitled as specified in the contracts.

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

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade and other receivables

Except for the trade receivables with collateral, the Group applied the simplified approach by establishing a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and customer rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

Management applied the general approach to calculate ECLs for other receivables. The Group assesses whether the credit risk on the receivable has increased significantly since initial recognition by comparing the risk of a default occurring on the receivable as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The information about the ECLs on the Group's trade and other receivables is disclosed in notes 23 and 25 to the financial statements, respectively.

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

Estimation uncertainty *(continued)*

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; and

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Further details, including the key assumptions used for fair value measurements, are given in note 15 to the financial statements.

Estimation of fair value of valuable collections held for investments

Valuable collections held for investments are revalued at the end of the reporting period by independent professional qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, market information of valuable collections held for investments of the comparable model is considered. Further details are given in note 19 to the financial statements.

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

Estimation uncertainty *(continued)*

Estimation of fair value of leasehold land and buildings

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amounts of leasehold land under right-of-use assets and buildings under assets included in property, plant and equipment (collectively the "**Properties**") at 31 December 2025 were HK$525 million and HK$317 million, respectively. Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in note 14 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

(a) the property investment and holding segment which represents investment and holding of properties;

(b) the securities business segment representing the trading in securities and holding of securities and financial assets;

(c) Ferrari business segment representing the import and distribution of Ferrari cars and provision of after-sales services as official importer of Ferrari in Hong Kong and Macau;

(d) Maserati business segment representing the import and distribution of Maserati cars and provision of after-sales services as official importer of Maserati in Hong Kong and Macau;

4. OPERATING SEGMENT INFORMATION *(continued)*

(e) valuable collections and logistics segment representing the acquisition of classic cars and collectible precision devices for long-term investment purpose, trading and sale of classic cars and car logistics business (car logistics business were disposed during the year ended 31 December 2025 as disclosed in note 36 to the financial statements);

(f) cultural entertainment business segment representing film operations; and

(g) other operations segment which is engaged in supportive business and start-up business including the running of a classic car service centre and artist management.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that non-lease-related finance costs, gain/loss on disposal of subsidiaries, gain on early redemption of convertible bonds, share of profits of associates, impairment of investments in associates, and head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

For the year ended 31 December 2025

	Continuing operations								Discontinued operations	
HK$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections	Cultural entertainment business	Other operations	Total continuing operations	Logistics	Total
Segment revenue:										
Sales to external customers (note 5)	2	–*	551	41	–*	–	12	606	53	659
Other revenue	–*	9	13	2	28	–	1	53	–	53
	2	9	564	43	28	–	13	659	53	712
Operating profit/(loss)	(88)	3	11	(4)	7	(64)	(15)	(150)	4	(146)
Finance costs (other than interest on lease liabilities)								(125)	–*	(125)
Reconciled items:										
Corporate and other unallocated expenses								(59)	–	(59)
Loss on disposal of subsidiaries								(2)	(11)	(13)
Gain on redemption of convertible bonds								1	–	1
Loss before tax								(335)	(7)	(342)
Income tax								15	–	15
Loss for the year								(320)	(7)	(327)

* Less than HK$1 million

4. OPERATING SEGMENT INFORMATION *(continued)*

For the year ended 31 December 2025 *(continued)*

HK$ million	Continuing operations								Discontinued operations		
	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections	Cultural entertainment business	Other operations	Total continuing operations	Logistics	Reconciliations	Total
Other segment information:											
Expenditure for non-current assets	–	–	62	2	1	–	4	69	1	–	70
Depreciation and amortisation	(24)	–	(37)	(3)	(1)	–	(14)	(79)	(2)	–	(81)
Other material non-cash items:											
Fair value loss on investment properties, net	(1)	–	–	–	–	–	–	(1)	–	–	(1)
Fair value gain on valuable collections, net	–	–	–	–	25	–	–	25	–	–	25
Fair value loss on investment in a film	–	–	–	–	–	(64)	–	(64)	–	–	(64)
Loss on disposal of subsidiaries	–	–	–	–	–	–	(2)	(2)	(11)	–	(13)
Gain on disposal of valuable collections held for investment	–	–	–	–	3	–	–	3	–	–	3
Impairment of promissory note receivable	–	(5)	–	–	–	–	–	(5)	–	–	(5)
Impairment of assets of disposal groups classified as held for sale	(79)	–	–	–	–	–	–	(79)	–	–	(79)
Impairment of other receivables written back/(made), net	–*	(1)	2	–	–	–	–	1	–	–	1
Segment assets	866	152	276	30	267	20	174	1,785	–	–	1,785
Reconciled items:											
Corporate and other unallocated assets	–	–	–	–	–	–	–	–	–	715	715
Total assets	866	152	276	30	267	20	174	1,785	–	715	2,500
Segment liabilities	805	71	342	45	87	–*	79	1,429	–	–	1,429
Reconciled items:											
Corporate and other unallocated liabilities	–	–	–	–	–	–	–	–	–	713	713
Total liabilities	805	71	342	45	87	–*	79	1,429	–	713	2,142

* Less than HK$1 million

4. OPERATING SEGMENT INFORMATION *(continued)*

For the year ended 31 December 2024 (Restated)

	Continuing operations								Discontinued operations	
HK$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections	Cultural entertainment business	Other operations	Total continuing operations	Logistics	Total
Segment revenue:										
Sales to external customers (note 5)	6	–*	420	61	3	–	40	530	48	578
Other revenue	–*	9	6	1	1	–	1	18	–*	18
	6	9	426	62	4	–	41	548	48	596
Operating profit/(loss)	(121)	(4)	10	(15)	(55)	(1)	(29)	(215)	3	(212)
Finance costs (other than interest on lease liabilities)								(114)	–*	(114)
Reconciled items:										
Corporate and other unallocated expenses								(74)	–	(74)
Gain on disposal of subsidiaries, net								4	–	4
Gain on redemption of convertible bonds								1	–	1
Impairment of investments in associates								(4)	–	(4)
Share of profits of associates								3	–	3
Loss before tax								(399)	3	(396)
Income tax								–*	–	–*
Loss for the year								(399)	3	(396)

* Less than HK$1 million

4. OPERATING SEGMENT INFORMATION *(continued)*

For the year ended 31 December 2024 (Restated) *(continued)*

HK$ million	Continuing operations								Discontinued operations		
	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections	Cultural entertainment business	Other operations	Total continuing operations	Logistics	Reconciliations	Total
Other segment information:											
Expenditure for non-current assets	–	–	–*	–*	–*	–	23	23	1	–	24
Depreciation and amortisation	(33)	–	(39)	(10)	(1)	–	(15)	(98)	(2)	–	(100)
Other material non-cash items:											
Fair value loss on investment properties	(17)	–	–	–	–	–	–	(17)	–	–	(17)
Gain on disposal of subsidiaries, net	8	–	–	–	–	–	(4)	4	–	–	4
Loss on disposal of valuable collections held for investment	–	–	–	–	(18)	–	–	(18)	–	–	(18)
Impairment of investments in associates	–	–	–	–	–	(4)	–	(4)	–	–	(4)
Share of profits of associates	–	–	–	–	–	3	–	3	–	–	3
Impairment of promissory note receivable	–	(11)	–	–	–	–	–	(11)	–	–	(11)
Impairment of assets of disposal groups classified as held for sale	(104)	–	–	–	–	–	–	(104)	–	–	(104)
Impairment of trade receivables, net	(1)	–*	(1)	–*	–*	–*	–*	(2)	–	–	(2)
Impairment of other receivables, net	–*	(1)	–	–	–	–	–	(1)	–	–	(1)
Segment assets	1,035	149	284	42	240	92	192	2,034	34	–	2,068
Reconciled items:											
Corporate and other unallocated assets	–	–	–	–	–	–	–	–	–	718	718
Total assets	1,035	149	284	42	240	92	192	2,034	34	718	2,786
Segment liabilities	859	89	422	64	63	1	57	1,555	7	–	1,562
Reconciled items:											
Corporate and other unallocated liabilities	–	–	–	–	–	–	–	–	–	552	552
Total liabilities	859	89	422	64	63	1	57	1,555	7	552	2,114

* Less than HK$1 million

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

HK$ million	**2025**	2024 (Restated)
Continuing operations		
Hong Kong, Macau and Mainland	**606**	528
Rest of the world	**–***	2
	606	530
Discontinued operations		
Hong Kong, Macau and Mainland	**53**	48
	659	578

* Less than HK$1 million

The revenue information above is based on the locations where the Group's products were sold to customers.

(b) Non-current assets

HK$ million	**2025**	2024
Hong Kong, Macau and Mainland	**1,606**	1,780
Rest of the world	**70**	55
	1,676	1,835

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

For the years ended 31 December 2025 and 2024, no single customer contributed 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS, NET

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

HK$ million	2025 Continuing operations	2025 Discontinued operations	2025 Total	2024 (Restated) Continuing operations	2024 (Restated) Discontinued operations	2024 (Restated) Total
Revenue						
Revenue from contracts with customers	**604**	**53**	**657**	524	48	572
Revenue from other sources						
Gross rental income from investment properties, fixed payments	**2**	**–**	**2**	6	–	6
	606	**53**	**659**	530	48	578
Other income and gains, net						
Gain on disposal of subsidiaries, net	**–**	**–**	**–**	4	–	4
Gain on disposal of valuable collections held for investments	**3**	**–**	**3**	–	–	–
Gain on early redemption of convertible bonds	**1**	**–**	**1**	1	–	1
Fair value gain on valuable collections held for investments, net	**25**	**–**	**25**	–	–	–
Interest from promissory note receivable	**7**	**–**	**7**	7	–	7
Others	**17**	**–**	**17**	11	–	11
	53	**–**	**53**	23	–	23

5. REVENUE, OTHER INCOME AND GAINS, NET *(continued)*

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

	Continuing operations						Discontinued operations	
HK$ million	Ferrari business	Maserati business	Valuable collections	Cultural entertainment business	Other operations	Total continuing operations	Logistics	Total
Type of goods or services								
Sale of cars	465	20	–	–	–	485	–	485
Sale of other goods	–	–	–*	–	12	12	–	12
Provision of other services	86	21	–	–	–	107	53	160
Total revenue from contracts with customers	551	41	–*	–	12	604	53	657
Geographical markets								
Hong Kong, Macau and Mainland	551	41	–	–	12	604	53	657
Rest of the world	–	–	–*	–	–	–*	–	–*
Total revenue from contracts with customers	551	41	–*	–	12	604	53	657
Timing of revenue recognition								
Goods transferred at a point in time	465	20	–*	–	12	497	–	497
Services transferred over time	86	21	–	–	–	107	53	160
Total revenue from contracts with customers	551	41	–*	–	12	604	53	657

* Less than HK$1 million

5. REVENUE, OTHER INCOME AND GAINS, NET *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2024 (Restated)

	Continuing operations						Discontinued operations	
HK$ million	Ferrari business	Maserati business	Valuable collections	Cultural entertainment business	Other operations	Total continuing operations	Logistics	Total
Type of goods or services								
Sale of cars	336	37	2	–	–	375	–	375
Sale of other goods	–	–	1	–	18	19	–	19
Provision of other services	84	24	–	–	22	130	48	178
Total revenue from contracts with customers	420	61	3	–	40	524	48	572
Geographical markets								
Hong Kong, Macau and Mainland	420	61	1	–	40	522	48	570
Rest of the world	–	–	2	–	–	2	–	2
Total revenue from contracts with customers	420	61	3	–	40	524	48	572
Timing of revenue recognition								
Goods transferred at a point in time	336	37	3	–	18	394	–	394
Services transferred over time	84	24	–	–	22	130	48	178
Total revenue from contracts with customers	420	61	3	–	40	524	48	572

5. REVENUE, OTHER INCOME AND GAINS, NET *(continued)*

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information (continued)

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

HK$ million	2025	2024
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of Ferrari cars	**150**	90
Sale of Maserati cars	**7**	3

(ii) Performance obligations

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

Sale of Ferrari cars

The performance obligation is satisfied upon delivery of Ferrari cars and payment in advance is normally required for customers.

Sale of Maserati cars

The performance obligation is satisfied upon delivery of Maserati cars and payment in advance is normally required for customers.

Sale of valuable collections

The performance obligation is satisfied upon delivery of the valuable collections and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

Provision of car logistics and after-sales services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

Provision of advertising services under other operations

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised within one year.

6. LOSS BEFORE TAX

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

HK$ million	2025 Continuing operations	2025 Discontinued operations	2025 Total	2024 (Restated) Continuing operations	2024 (Restated) Discontinued operations	2024 (Restated) Total
Cost of valuable collections sold	**1**	**–**	**1**	2	–	2
Cost of Ferrari business	**473**	**–**	**473**	350	–	350
Cost of Maserati business	**31**	**–**	**31**	49	–	49
Cost of automotive services provided	**–**	**35**	**35**	–	32	32
Cost of other operations	**3**	**–**	**3**	13	–	13
Depreciation of property, plant and equipment (including right-of-use assets)	**79**	**2**	**81**	98	2	100
Auditors' remuneration	**2**	**–**	**2**	3	–	3
Employee benefit expense (excluding Director's and chief executive's remuneration):						
Wages and salaries	**48**	**8**	**56**	71	7	78
Pension scheme contributions	**1**	**–***	**1**	2	–*	2
	49	**8**	**57**	73	7	80
Foreign exchange losses, net	**1**	**–**	**1**	1	–	1
Fair value gain on valuable collections held for investments, net	**(25)**	**–**	**(25)**	–*	–	–*
Fair value losses on financial assets at fair value through profit or loss	**–***	**–**	**–***	–*	–	–*
Fair value loss on investment in a film	**64**	**–**	**64**	–	–	–
Loss/(gain) on disposal of subsidiaries	**2**	**11**	**13**	(4)	–	(4)
Gain/(loss) on disposal of valuable collections held for investments	**(3)**	**–**	**(3)**	18	–	18
Interest from promissory note receivable	**(7)**	**–**	**(7)**	(7)	–	(7)
Impairment of investments in associates	**–**	**–**	**–**	4	–	4
Gain on early redemption of convertible bonds	**(1)**	**–**	**(1)**	(1)	–	(1)

* Less than HK$1 million

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

HK$ million	2025	2024
Interest on bank and other loans and bonds	**115**	103
Interest on convertible bonds	**9**	11
Interest on lease liabilities	**3**	2
Total interest expense on financial liabilities not at fair value through profit or loss	**127**	116

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

HK$'000	2025	2024
Fees:		
Executive Directors and the chief executive	**–**	–
Independent non-executive Directors	**720**	720
	720	720
Executive Directors' and the chief executive's other emoluments:		
Salaries, allowances and benefits in kind	**10,457**	10,241
Discretionary bonuses	**–**	–
Pension scheme contributions	**468**	518
	10,925	10,759
Total fees and other emoluments	**11,645**	11,479

The executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive Directors' emoluments shown above were for their services as Directors.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(a) Independent non-executive Directors

The fees paid to independent non-executive Directors during the years were as follows:

	Fees HK$'000
2025	
LAU Ho Kit	**240**
CHOW Siu Ngor	**240**
CHEN Li	**240**
	720
2024	
LAU Ho Kit	240
CHOW Siu Ngor	240
CHEN Li	240
	720

(b) Executive Directors and the chief executive

HK$'000	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total remuneration
2025				
Executive Director and the chief executive:				
MAK Shiu Tong, Clement ("**Mr. Mak**")	**10,217**	**–**	**468**	**10,685**
Executive Director:				
CHENG Yuk Ching, Flora	**240**	**–**	**–**	**240**
Total	**10,457**	**–**	**468**	**10,925**

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(b) Executive Directors and the chief executive *(continued)*

HK$'000	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Total remuneration
2024				
Executive Director and the chief executive:				
Mr. Mak	10,101	–	507	10,608
Executive Director:				
CHENG Yuk Ching, Flora	140	–	11	151
Total	10,241	–	518	10,759

With effect from 1 July 2011, quarters have been provided to Mr. Mak free of charge. The amounts of Mr. Mak's remuneration for 2025 and 2024 have included the estimated values of the quarters of HK$200,000 per month provided to him as housing benefit.

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

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2024: one) Director who is also the chief executive (2024: one), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a Director nor chief executive of the Company are as follows:

HK$ million	**2025**	2024
Salaries, allowances and benefits in kind	**13**	12

The number of non-Director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK$1,000,001–HK$1,500,000	**1**	–
HK$1,500,001–HK$2,000,000	**1**	1
HK$2,000,001–HK$2,500,000	**1**	2
HK$2,500,001–HK$3,000,000	**–**	–
HK$3,000,001–HK$3,500,000	**–**	–
HK$3,500,001–HK$4,000,000	**–**	–
HK$4,000,001–HK$4,500,000	**–**	–
HK$4,500,001–HK$5,000,000	**–**	–
HK$5,000,001–HK$5,500,000	**–**	–
HK$5,500,001–HK$6,000,000	**–**	–
HK$6,000,001–HK$6,500,000	**–**	–
HK$6,500,001–HK$7,000,000	**–**	1
HK$7,000,001–HK$7,500,000	**–**	–
HK$7,500,001–HK$8,000,000	**1**	–
Total	**4**	4

10. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

HK$ million	2025	2024
Current — Hong Kong		
Charge for the year	–	–*
Deferred	(15)	–
Total tax credit from continuing operations for the year	(15)	–*

* Less than HK$1 million

A reconciliation of the tax credit applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2025

	Hong Kong				Mainland China		Total			
	Continuing operations		Discontinued operations		Continuing operations		Continuing operations		Discontinued operations	
HK$ million	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Loss before tax	(334.6)		(6.7)		(0.1)		(334.7)		(6.7)	
Tax at the statutory or appropriate tax rate	(55.2)	16.5	(1.1)	16.5	–*	25.0	(55.2)	16.5	(1.1)	16.5
Income not subject to tax	(12.4)	3.7	–	–	–	–	(12.4)	3.7	–	–
Expenses not deductible for tax	57.3	(17.1)	1.9	(28.4)	–	–	57.3	(17.1)	1.9	(28.4)
Tax losses not recognised	26.6	(8.0)	–	–	–*	(25.0)	26.6	(8.0)	–	–
Tax losses utilised from previous periods	(1.3)	0.4	(0.8)	11.9	–	–	(1.3)	0.4	(0.8)	11.9
Tax credit at the Group's effective rate	15.0	(4.5)	–	–	–	–	15.0	(4.5)	–	–

* Less than HK$1 million

10. INCOME TAX *(continued)*

2024 (Restated)

	Hong Kong				Mainland China		Total			
	Continuing operations		Discontinued operations		Continuing operations		Continuing operations		Discontinued operations	
HK$ million	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Loss before tax	(398.0)		3.0		(0.5)		(398.5)		3.0	
Tax at the statutory or appropriate tax rate	(65.7)	16.5	0.5	16.5	(0.1)	25.0	(65.8)	16.5	0.5	16.5
Income not subject to tax	(6.8)	1.7	(1.0)	(33.3)	–	–	(6.8)	1.7	(1.0)	(33.3)
Expenses not deductible for tax	44.3	(11.1)	0.5	16.8	–	–	44.3	(11.1)	0.5	16.8
Tax losses not recognised	28.9	(7.3)	–	–	0.1	(25.0)	29.0	(7.3)	–	–
Tax losses utilised from previous periods	(0.7)	0.2	–	–	–	–	(0.7)	0.2	–	–
Tax charge at the Group's effective rate	–	–	–	–	–	–	–	–	–	–

At 31 December 2025, the Group had tax losses of HK$1,691 million (2024: HK$1,553 million), which were available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, and for which no deferred tax assets were recognised in respect of these losses as it was not considered probable that taxable profits would be available against which the tax losses could be utilised.

11. DISCONTINUED OPERATIONS

On 31 December 2025, the Group disposed 95% of the issued share capital of Blackbird Works Supply Co. Limited at a consideration of HK$17.1 million and discontinued all the car logistics business.

The results of the discontinued operations for the years are presented below:

HK$ million	Notes	2025	2024
Revenue	5	**53**	48
Cost of sales		**(35)**	(32)
Gross profit		**18**	16
Administrative expenses		**(14)**	(13)
Profit before tax from the discontinued operations	6	**4**	3
Income tax		**–**	–
Profit for the year from the discontinued operations		**4**	3

The net cash flows of the discontinued operations are as follows:

HK$ million	2025	2024
Operating activities	**2**	5
Investing activities	**–**	(1)
Financing activities	**(2)**	(2)
Net cash flows	**–**	2

12. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2025 (2024: Nil).

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted (loss)/earnings per share are based on:

HK$ million	2025	2024 (Restated)
(Loss)/profit attributable to ordinary equity holders of the Company, used in the basic loss per share calculation:		
From continuing operations	**(320)**	(399)
From discontinued operations	**(7)**	3
	(327)	(396)
Interest on convertible bonds	**9**	11
Loss attributable to ordinary equity holders of the Company before interest on convertible bonds	**(318)**	(385)
Attributable to:		
Continuing operations	**(311)**	(388)
Discontinued operations	**(7)**	3
	(318)	(385)

	Number of shares	
	2025	2024 (Restated)
Weighted average number of ordinary shares in issue used in the basic loss per share calculation	**159,967,545**	160,337,560
Effect of dilution — weighted average number of ordinary shares:		
Convertible bonds	**59,803,779**	70,122,578
Weighted average number of ordinary shares used in the diluted loss per share calculation	**219,771,324**	230,460,138

Pursuant to a special resolution passed on 25 February 2026, every ten (10) ordinary shares in the issued share capital of the Company were consolidated into one (1) consolidated ordinary share in the issued share capital of the Company effective on 27 February 2026. As a result of the share consolidation, the weighted average number of ordinary shares adopted in the calculation of the basic and diluted loss per share for the years ended 31 December 2025 and 2024 have been adjusted retrospectively.

Because the diluted loss per share amount is decreased when taking conversion of convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic loss per share for both years and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the year and the loss attributable to continuing operations of HK$327 million (2024: HK$396 million) and HK$320 million (2024: HK$399 million) respectively; and the weighted average number of ordinary shares of 159,967,545 (2024: 160,337,560) in issue.

14. PROPERTY, PLANT AND EQUIPMENT AND LEASES

HK$ million	Right-of-use assets (Note)	Assets					Total
		Buildings and leasehold improvement	Plant and machinery	Tools and equipment	Furniture and office equipment	Motor vehicles	
31 December 2025							
At 1 January 2025:							
Cost	154	117	3	13	33	32	352
At valuation	523	332	–	–	–	–	855
Accumulated depreciation	(106)	(70)	(2)	(9)	(27)	(20)	(234)
Net carrying amount	571	379	1	4	6	12	973
At 1 January 2025, net of accumulated depreciation	571	379	1	4	6	12	973
Additions	56	3	–	–	3	8	70
Disposals	(1)	–	–	–	–	(2)	(3)
Disposal of subsidiaries (note 36)	(10)	(7)	–	–	(2)	(2)	(21)
Depreciation provided during the year	(46)	(26)	–	(1)	(3)	(5)	(81)
Reclassification	(5)	–	–	–	–	5	–
Revaluation adjustment	13	1	–	–	–	–	14
At 31 December 2025, net of accumulated depreciation	578	350	1	3	4	16	952
At 31 December 2025:							
Cost	70	109	3	13	30	32	257
At valuation	525	317	–	–	–	–	842
Accumulated depreciation	(17)	(76)	(2)	(10)	(26)	(16)	(147)
Net carrying amount	578	350	1	3	4	16	952

14. PROPERTY, PLANT AND EQUIPMENT AND LEASES *(continued)*

HK$ million	Right-of-use assets (Note)	Assets: Buildings and leasehold improvement	Plant and machinery	Tools and equipment	Furniture and office equipment	Motor vehicles	Total
31 December 2024							
At 1 January 2024:							
Cost	642	451	3	13	47	44	1,200
Accumulated depreciation	(258)	(156)	(2)	(8)	(37)	(23)	(484)
Net carrying amount	384	295	1	5	10	21	716
At 1 January 2024, net of accumulated depreciation	384	295	1	5	10	21	716
Additions	19	3	–	–	1	1	24
Disposals	–	–	–	–	–	(2)	(2)
Disposal of subsidiaries (note 36)	–	–	–	–	(1)	–	(1)
Write off	–	–	–	–	–	(3)	(3)
Depreciation provided during the year	(49)	(41)	–	(1)	(4)	(5)	(100)
Revaluation adjustment	217	122	–	–	–	–	339
At 31 December 2024, net of accumulated depreciation	571	379	1	4	6	12	973
At 31 December 2024:							
Cost	154	117	3	13	33	32	352
At valuation	523	332	–	–	–	–	855
Accumulated depreciation	(106)	(70)	(2)	(9)	(27)	(20)	(234)
Net carrying amount	571	379	1	4	6	12	973

At 31 December 2025, certain of the Group's leasehold land included in right-of-use assets and buildings with an aggregate net carrying amount of approximately HK$842 million (2024: HK$855 million) were pledged to secure bank loans granted to the Group (note 31(a)(i)).

14. PROPERTY, PLANT AND EQUIPMENT AND LEASES *(continued)*

Revaluation of leasehold land and buildings

The Group's leasehold land and buildings were measured at fair value less accumulated depreciation and impairment losses recognised.

The Group's leasehold land and buildings consist of commercial and residential properties and car parking spaces in Hong Kong. The Directors have determined that the leasehold land and buildings consist of three classes of assets, i.e., commercial properties, residential properties, and car parking spaces, based on the nature, characteristics and risks of each property.

The Group's leasehold land and buildings were revalued based on valuations performed by Graval Consulting Limited ("**Graval**"), independent professionally qualified valuers, at HK$525 million and HK$317 million respectively as at the date of revaluation on 31 December 2025. The valuations were based on the market approach and fair value is estimated using the unit rates of comparable transactions of similar properties and adjusted for the uniqueness of each property multiplied by the gross floor area of each property. Revaluation surplus of HK$14 million resulting from the above revaluation was recognised in other comprehensive income.

Had such leasehold land included in right-of-use assets and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK$297 million (2024: approximately HK$304 million) and approximately HK$147 million (2024: approximately HK$154 million) respectively as at 31 December 2025.

The fair values of the Group's leasehold land and buildings as at 31 December 2025 was estimated by using significant unobservable inputs and the fair value measurement was categorised under Level 3. During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of carrying amount on leasehold land and buildings

HK$ million	Buildings	Leasehold land included in right-of-use assets	Total
Carrying amount and fair value at 1 January 2025	**332**	**523**	**855**
Depreciation for the year	**(16)**	**(11)**	**(27)**
Level 3 revaluation surplus on revaluation at 31 December 2025	**1**	**13**	**14**
Carrying amount and fair value at 31 December 2025	**317**	**525**	**842**

14. PROPERTY, PLANT AND EQUIPMENT AND LEASES *(continued)*

Reconciliation of carrying amount on leasehold land and buildings *(continued)*

Below is a summary of the valuation technique used and the key input to the valuation of leasehold land and buildings:

			Range or weighted average	
	Valuation techniques	**Significant unobservable inputs**	**2025**	2024
Commercial properties	Market approach	Adopted unit rate (per square foot)	**HK$5,700 to HK$10,300**	HK$5,900 to HK$11,500
Residential properties	Market approach	Adopted unit rate (per square foot)	**HK$67,500 to HK$69,200**	HK$67,500 to HK$69,200
Car parking spaces	Market approach	Adopted unit rate (per lot)	**HK$1,100,000**	HK$1,100,000

A significant increase (decrease) in the adopted unit rate would result in a significant increase (decrease) in the fair value of the leasehold land and buildings.

Note related to leases:

THE GROUP AS A LESSEE

The Group has lease contracts for various items of office premises and motor vehicles used in its operations. Leases of office premises generally have lease terms from 2 to 5 years. Motor vehicles generally have lease terms from 3 to 4 years. In addition, the Group leased several plots of land located in Hong Kong for 50 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. No lease contracts have extension and termination options.

(a) Right-of-use assets

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

HK$ million	**Office premises**	**Leasehold land**	**Motor vehicles**	**Total**
As at 1 January 2024	68	311	5	384
Additions	6	–	13	19
Depreciation charge	(41)	(5)	(3)	(49)
Revaluation adjustment	–	217	–	217
As at 31 December 2024 and 1 January 2025	**33**	**523**	**15**	**571**
Additions	**54**	**–**	**2**	**56**
Disposals	**–**	**–**	**(1)**	**(1)**
Disposal of subsidiaries	**(8)**	**–**	**(2)**	**(10)**
Depreciation charge	**(32)**	**(11)**	**(3)**	**(46)**
Reclassification	**–**	**–**	**(5)**	**(5)**
Revaluation adjustment	**–**	**13**	**–**	**13**
As at 31 December 2025	**47**	**525**	**6**	**578**

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	Lease liabilities	
HK$ million	**2025**	2024
Carrying amount at 1 January	**43**	76
New leases	**56**	19
Disposal of subsidiaries	**(10)**	–*
Accretion of interest recognised during the year	**3**	2
Payments	**(38)**	(54)
Carrying amount at 31 December	**54**	43
Analysed into:		
Current portion	**24**	29
Non-current portion	**30**	14

The maturity analysis of lease liabilities is disclosed in note 44 to the financial statements.

* Less than HK$1 million

14. PROPERTY, PLANT AND EQUIPMENT AND LEASES *(continued)*

Note related to leases: *(continued)*

THE GROUP AS A LESSEE *(continued)*

(c) The amounts recognised in profit or loss in relation to leases are as follows:

HK$ million	2025	2024
Interest on lease liabilities	**3**	2
Depreciation charge of right-of-use assets	**46**	49
Total amount recognised in profit or loss	**49**	51

The total cash outflow for leases is disclosed in note 37(c) to the financial statements.

THE GROUP AS A LESSOR

The Group leases its investment properties (note 15) consisting of certain commercial properties and residential properties in Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK$2 million (2024: HK$6 million), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

HK$ million	2025	2024
Within one year	**1**	2
Total	**1**	2

15. INVESTMENT PROPERTIES

HK$ million	2025	2024
Carrying amount at 1 January	**610**	627
Fair value losses on investment properties, net	**(1)**	(17)
Transfer to disposal groups classified as held for sale	**(19)**	–
Carrying amount at 31 December	**590**	610

The Group's investment properties consist of commercial and residential properties and car parking spaces in Hong Kong. The Directors have determined that the investment properties consist of three classes of assets, i.e., commercial properties, residential properties, and car parking spaces, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2025 and 2024 based on valuations performed by Graval, independent professionally qualified valuers. Each year, the Company's Directors decide to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's corporate finance team has discussions with the valuer on the valuation assumptions and valuation results annually when the valuation is performed for annual financial reporting.

At 31 December 2025, the Group's investment properties with an aggregate carrying amount of HK$590 million (2024: HK$610 million) were pledged to secure bank loans granted to the Group (note 31 (a)(ii)).

15. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

HK$ million	Fair value measurement as at 31 December 2025 using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurement for:				
Commercial properties	**–**	**–**	**17**	**17**
Residential properties	**–**	**–**	**558**	**558**
Car parking spaces	**–**	**–**	**15**	**15**
Total	**–**	**–**	**590**	**590**

HK$ million	Fair value measurement as at 31 December 2024 using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurement for:				
Commercial properties	–	–	38	38
Residential properties	–	–	558	558
Car parking spaces	–	–	14	14
Total	–	–	610	610

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

15. INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy *(continued)*

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

HK$ million	Car parking spaces	Commercial properties	Residential properties	Total
Carrying amount at 1 January 2024	17	41	569	627
Net losses from fair value adjustments recognised in profit or loss	(3)	(3)	(11)	(17)
Carrying amount at 31 December 2024 and 1 January 2025	**14**	**38**	**558**	**610**
Transfer to disposal groups classified as held for sale	**–**	**(19)**	**–**	**(19)**
Net gains/(losses) from fair value adjustments recognised in profit or loss	**1**	**(2)**	**-**	**(1)**
Carrying amount at 31 December 2025	**15**	**17**	**558**	**590**

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range or weighted average 2025	2024
Commercial properties	Market approach	Adopted unit rate (per square foot)	**HK$5,500 to HK$10,400**	HK$4,900 to HK$11,600
Residential properties	Market approach	Adopted unit rate (per square foot)	**HK$67,800 to HK$68,400**	HK$67,800 to HK$68,400
Car parking spaces	Market approach	Adopted unit rate (per lot)	**HK$2,150,000**	HK$2,000,000

Under the market approach, fair value is estimated using the unit rates of comparable transactions of similar properties and adjusted for the uniqueness of each property multiplied by the gross floor area of each property.

A significant increase (decrease) in the adopted unit rate would result in a significant increase (decrease) in the fair value of the investment properties.

16. GOODWILL

HK$ million	2025	2024
Cost	**89**	89
Accumulated impairment	**(72)**	(72)
Disposal of a subsidiary (note 36)	**(17)**	–
Net carrying amount	**–**	17

Goodwill acquired through business combinations is allocated to the car logistics cash-generating unit.

On 31 December 2025, the Group entered into a sale and purchase agreement with an independent third party to dispose 95% of the issued share capital of its subsidiary, namely, Blackbird Works Supply Co. Limited, which principally engaged in provision of car towing and logistics services in Hong Kong, at a consideration of HK$17.1 million. Upon completion the disposal on 31 December 2025, the Group no longer operates the car logistics business and the corresponding goodwill was derecognised since then.

17. INTANGIBLE ASSET

HK$ million	Licence
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025:	
Cost	33
Accumulated amortisation	(33)
Net carrying amount	–

18. INVESTMENTS IN ASSOCIATES

The Group has investments in associates, which are not considered to be material associates as at 31 December 2024, as detailed below:

HK$ million	2025	2024
Share of net assets	–	12
Impairment	–	(4)
Transfer to disposal group classified as held for sale (note 22)	–	(8)
Net carrying amount	–	–

The following table illustrates the financial information of the Group's associates that are not individually material:

HK$ million	2025	2024
Share of the associates' profit for the year	–	3
Share of the associates' total comprehensive income for the year	–	3
Aggregate carrying amount of the Group's investment in associates	–	–

On 27 December 2024, the Group entered into two (2) sale and purchase agreements with an independent third party to dispose of its associates engaged in stage audio and lighting and stage engineering operations in its culture entertainment business, at a consideration of approximately HK$8 million. Upon completion of disposal on 28 February 2025, the Group no longer operates the stage audio and lighting and stage engineering business and the investments in associates were ceased since then.

19. VALUABLE COLLECTIONS HELD FOR INVESTMENTS

HK$ million	2025	2024
Valuable collections held for investments, at fair value	**134**	235

The following table illustrates the fair value measurement hierarchy of the Group's valuable collections held for investments:

	Fair value measurement as at 31 December 2025 using			
HK$ million	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Recurring fair value measurement for:				
Valuable collections held for investments	**–**	**–**	**134**	**134**

	Fair value measurement as at 31 December 2024 using			
HK$ million	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurement for:				
Valuable collections held for investments	–	–	235	235

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

19. VALUABLE COLLECTIONS HELD FOR INVESTMENTS *(continued)*

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

HK$ million	
Carrying amount at 1 January 2024	298
Additions	3
Disposal	(66)
Net loss from a fair value adjustment recognised in profit or loss	–*
Carrying amount at 31 December 2024 and 1 January 2025	**235**
Disposal	**(30)**
Reclassified to stock of valuable collections held for sale (note 21)	**(96)**
Net gain from a fair value adjustment recognised in profit or loss	**25**
Carrying amount at 31 December 2025	**134**

* Less than HK$1 million

	Valuation technique	Significant unobservable input	Range or weighted average	
			2025	2024
Classic cars held for investment	Market approach	Transaction price (per unit)	**HK$2 million to HK$70 million**	HK$2 million to HK$55 million
Collectible precision devices held for investment	Market approach	Transaction price (per unit)	**HK$40,000 to HK$26 million**	HK$38,000 to HK$30 million

Under the market approach, fair value is estimated using the market price of comparable transactions of similar valuable collections held for investments and adjusted for the uniqueness of each valuable collections held for investments.

A significant increase (decrease) in the transaction price would result in a significant increase (decrease) in the fair value of the valuable collections held for investments.

20. INVENTORIES

HK$ million	**2025**	2024
Raw materials	**14**	20
Finished goods	**–***	1
Ferrari cars	**84**	50
Maserati cars	**–**	9
Total	**98**	80

* Less than HK$1 million

21. STOCK OF VALUABLE COLLECTIONS HELD FOR SALE

HK$ million	2025	2024
Stock of valuable collections held for sale, at the lower of cost and net realisable value	**96**	–

22. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

During the years ended 31 December 2025 and 2024, the Directors resolved to dispose of certain indirect wholly-owned subsidiaries of the Group which carried out property investment business in Hong Kong. The Directors of the Company expect it is highly probable that the assets and liabilities attributable to the business will be sold within twelve months and classified them as disposal groups held for sale and are presented separately in the consolidated statement of financial position. During the year ended 31 December 2025, one of the investment properties in the disposal group has been disposed with the consideration of HK$82 million. As a result, the related interest-bearing bank and other borrowings of approximately HK$33 million and deferred tax liabilities of approximately HK$15 million (note 10) were settled and reversed respectively.

During the year ended 31 December 2024, the Directors of the Company resolved to dispose of associates of the Group which engaged in the stage audio, lighting and engineering operations. The disposal of the associates have been completed on 28 February 2025.

The major classes of assets and liabilities of disposal groups classified as held for sale as at 31 December 2025 and 2024 are as below:

HK$ million	2025	2024
Assets		
Investment properties	**254**	396
Other receivables	**1**	1
Investments in associates (note 18)	**–**	8
Cash and cash equivalents	**–***	–*
Assets of disposal groups classified as held for sale	**255**	405
Liabilities		
Interest-bearing bank and other borrowings	**5**	33
Deferred tax liabilities	**–**	15
Other payables and accruals	**2**	2
Liabilities directly associated with the assets classified as held for sale	**7**	50
Net assets directly associated with the disposal groups	**248**	355

* Less than HK$1 million

As at 31 December 2025, the investment properties in the disposal groups with an aggregate carrying amount of HK$254 million (2024: HK$396 million) were pledged to secure bank loans granted to the Group (note 31(a)(iv)).

23. TRADE RECEIVABLES

HK$ million	2025	2024
Trade receivables	**27**	37
Impairment	**(9)**	(10)
Net carrying amount	**18**	27

At 1 January 2024, trade receivables from contracts with customers, after deduction of expected credit losses, amounted to HK$43 million.

The credit term given by the Group to its customers is generally one month, further details of which are included in note 5(ii) to the financial statements. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department for each segment to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at 31 December 2025, the Group had a certain concentration of credit risk as 14% (2024: 26%) and 53% (2024: 55%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively.

Trade receivables includes (i) balances of HK$1,970,000 (2024: HK$1,976,000) due from a key management personnel and an immediate family member of Mr. Mak and a company controlled by him; and (ii) a balance of HK$159,000 (2024: HK$153,000) due from Mr. Mak.

The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

23. TRADE RECEIVABLES *(continued)*

An ageing analysis of the trade receivables as at the end of the reporting period, based on the agreement date and invoice date and net of loss allowance, is as follows:

	2025		2024	
HK$ million	**Balance**	**Percentage**	Balance	Percentage
Within 180 days	**13**	**72**	23	85
181 to 365 days	**2**	**11**	1	4
1 to 2 years	**1**	**6**	1	4
Over 2 years	**2**	**11**	2	7
Total	**18**	**100**	27	100

The movements in the loss allowance for impairment of trade receivables are as follows:

HK$ million	**2025**	2024
At 1 January	**10**	210
Impairment losses recognised, net	**–**	2
Disposal of subsidiaries	**(1)**	(5)
Write off	**–**	(197)
At 31 December	**9**	10

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and customer rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

23. TRADE RECEIVABLES *(continued)*

Set out below is the information about the credit risk exposure on the Group's trade receivables without collaterals using a provision matrix:

As at 31 December 2025

HK$ million	Current	Past due: Within 6 months	Past due: 6 to 12 months	Past due: Over 12 months	Total
Cultural entertainment business					
Expected credit loss rate	**11.0%**	**0.0%**	**25.0%**	**85.6%**	**77.8%**
Gross carrying amount	**–**	**–**	**–**	**0.3**	**0.3**
Expected credit losses	**–**	**–**	**–**	**0.2**	**0.2**
Classic cars, Ferrari business and Maserati business					
Expected credit loss rate	**5.2%**	**17.5%**	**51.7%**	**73.9%**	**34.4%**
Gross carrying amount	**11.5**	**3.6**	**3.1**	**8.6**	**26.8**
Expected credit losses	**0.6**	**0.6**	**1.6**	**6.4**	**9.2**
Property investment					
Expected credit loss rate	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Gross carrying amount	**–**	**–**	**–**	**–**	**–**
Expected credit losses	**–**	**–**	**–**	**–**	**–**
Total					
Expected credit loss rate	**0.0%–11.0%**	**0.0%–17.5%**	**0.0%–51.7%**	**0.0%–85.6%**	**0.0%–77.8%**
Gross carrying amount	**11.5**	**3.6**	**3.1**	**8.9**	**27.1**
Expected credit losses	**0.6**	**0.6**	**1.6**	**6.6**	**9.4**

23. TRADE RECEIVABLES *(continued)*

As at 31 December 2024

		Past due			
HK$ million	Current	Within 6 months	6 to 12 months	Over 12 months	Total
Cultural entertainment business					
Expected credit loss rate	1.0%	2.1%	2.3%	69.9%	65.8%
Gross carrying amount	–	–	–	0.3	0.3
Expected credit losses	–	–	–	0.2	0.2
Classic cars, Ferrari business and Maserati business					
Expected credit loss rate	4.7%	19.1%	43.3%	73.3%	27.7%
Gross carrying amount	13.5	12.1	2.7	8.0	36.3
Expected credit losses	0.6	2.3	1.2	5.9	10.0
Property investment					
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%
Gross carrying amount	–	–	–	–	–
Expected credit losses	–	–	–	–	–
Total					
Expected credit loss rate	0.0%–4.7%	0.0%–19.1%	0.0%–43.3%	0.0%–73.3%	0.0%–65.8%
Gross carrying amount	13.5	12.1	2.7	8.3	36.6
Expected credit losses	0.6	2.3	1.2	6.1	10.2

24. INVESTMENT IN A FILM

HK$ million	2025	2024
Investment in a film	**80**	80
Fair value losses	**(64)**	–
	16	80

The investment in a film has been officially released in cinemas in Hong Kong, mainland China, Taiwan and Malaysia starting in October 2025. The investment is measured at fair value through profit or loss at the end of each reporting period. Due to lower-than-expected box office performance, the fair value of the investment is lower than its carrying amount (being the costs invested by the Group) and a fair value loss of HK$64 million was recognised in profit or loss during the year ended 31 December 2025. The fair value of the investment in a film was determined by using cash flow projections based on financial budgets covering five-year period approved by senior management. The discount rate applied to the cash flow projections was 12.15%. Other key assumptions in relation to cash flow projections include budgeted revenue and cost which are based on management's expectation and industry reference.

The net carrying amount as at 31 December 2025 represents the Group's investment in a film which entitled the Group to predetermined percentage of income to be generated from the film based on the Group's investment portion as specified in the respective film investment agreement. The film production company is a private company controlled by an immediate family member of Mr. Mak.

25. PREPAYMENTS AND OTHER RECEIVABLES

HK$ million	2025	2024
Prepayments	**70**	121
Other receivables	**108**	36
	178	157
Impairment losses recognised	**(2)**	(3)
	176	154
Current portion	**(176)**	(153)
Non-current portion	**–**	1

25. PREPAYMENTS AND OTHER RECEIVABLES *(continued)*

The movements in the loss allowance for impairment of other receivables are as follows:

HK$ million	**2025**	2024
At 1 January	**3**	332
Impairment losses (written back)/made	**(1)**	1
Write off	**–**	(330)
At 31 December	**2**	3

An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to the risks of default of the debtors. Management also takes into account the mitigating effect of the value of the collaterals in the ECL analysis. As at 31 December 2025, in the opinion of the Directors, the probability of default applied was minimal to 15% (2024: minimal to 14%) and the loss given default was estimated to be ranged from minimal to 9% (2024: ranged from minimal to 20%).

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The carrying amounts of financial assets at fair value through profit or loss as at the end of the reporting period and the movements during the year are as follows:

HK$ million	**Other assets, at fair value**
As at 1 January 2024	5
Fair value losses on financial assets	–*
As at 31 December 2024 and 1 January 2025	**5**
Fair value losses on financial assets	**–***
As at 31 December 2025	**5**

* Less than HK$1 million

Note:

The other assets at 31 December 2025 and 2024 represented investments in club debentures which were mandatorily classified as financial assets at fair value through profit or loss under HKFRS 9 as their contractual cash flows are not solely payments of principal and interest.

27. PROMISSORY NOTE RECEIVABLE

HK$ million	2025	2024
Promissory note receivable	**148**	148
Impairment losses recognised	**(18)**	(13)
	130	135

The promissory note receivable bore interest at the rate of 5% per annum and was repayable within one year in October 2023, which is covered by shares charges and a personal guarantee. As at 31 December 2025, the promissory note is overdue and the Directors are actively negotiating with the debtor. The balance is related to the disposal of the financial asset at fair value through profit or loss to Top Pioneer Holdings Limited in October 2022.

The movements in the loss allowance for impairment of promissory note receivable are as follows:

HK$ million	2025	2024
At 1 January	**13**	2
Impairment losses	**5**	11
At 31 December	**18**	13

An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to the risks of default of the debtors. Management also takes into account the mitigating effect of the value of the collaterals in the ECL analysis. As at 31 December 2025, in the opinion of the Directors, the probability of default applied was 100% (2024: 100%) and the loss given default was estimated to be 12% (2024: 9%).

28. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

HK$ million	2025	2024
Cash and bank balances	**12**	45
Time deposits	**17**	20
	29	65
Less: Time deposits pledged for bank loans included in current portion (note 31(a)(iii))	**(17)**	(20)
Cash and cash equivalents	**12**	45

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("**RMB**") amounted to approximately HK$30,000 (2024: HK$50,000). The RMB is not freely convertible into other currencies. However, under The Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks carried interest at floating rates based on daily bank deposit rates. Short term time deposits were made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and carried interest at the respective short term time deposit rates. The bank balances and pledged deposits were placed with creditworthy banks with no recent history of default.

29. TRADE PAYABLES

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

HK$ million	2025 Balance	2025 Percentage	2024 Balance	2024 Percentage
Current to 30 days	**30**	**60**	16	38
31 to 60 days	**1**	**2**	–*	–
61 to 90 days	**–***	**–**	–*	–
Over 90 days	**19**	**38**	26	62
Total	**50**	**100**	42	100

* Less than HK$1 million

The trade payables were interest-free, unsecured and were normally settled on a 60-day term.

30. OTHER PAYABLES AND ACCRUALS

HK$ million	Notes	2025	2024
Contract liabilities	(a)	**182**	242
Other payables	(b)	**145**	178
Accruals		**9**	30
Total		**336**	450

Notes:

(a) Details of contract liabilities as at 31 December 2025 and 2024 are as follows:

HK$ million	31 December 2025	31 December 2024	1 January 2024
Advances received from customers			
Sale of Ferrari cars	**149**	200	230
Sale of Maserati cars	**7**	14	6
Sale of valuable collections	**26**	28	28
Provision of advertising services	**–**	–	2
Total contract liabilities	**182**	242	266

Contract liabilities include receipts in advance for Ferrari cars, Maserati cars and valuable collections.

The decrease in contract liabilities in 2025 was mainly due to the decrease in advances received from customers in relation to the sale of Ferrari cars and the sale of Maserati cars.

The decrease in contract liabilities in 2024 was mainly due to the combined effect of the decrease in advances received from customers in relation to the sale of Ferrari cars and increase in advances received from customers in relation to the sale of Maserati cars.

According to the payment terms relating to automobile business, the Group typically receives full payment before delivery of goods, which will give rise to contract liabilities until the revenue is recognised upon the order is fulfilled.

(b) Other payables include deposits received of HK$80 million (2024: HK$80 million) for disposal of certain assets of disposal groups, which are unsecured and interest-bearing at 6% (2024: 6%) per annum, and a balance of HK$3,853,000 (2024: HK$3,419,000) due to an immediate family member of Mr. Mak and a balance of HK$16,688,000 (2024: HK$36,699,000) due to Mr. Mak, which is unsecured, interest-free and has no fixed terms of repayment. Remaining balances are non-interest-bearing and have an average term of three months.

31. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2025			31 December 2024		
	Effective interest rate (%)	**Maturity**	**HK$ million**	Effective interest rate (%)	Maturity	HK$ million
Current						
Lease liabilities (note 14(b))	**2.35–7.78**	**2026**	**24**	1.85–7.78	2025	29
Bank loans — secured	**2.75–6.25**	**2026 or on demand**	**278**	2.75–7.33	2025 or on demand	1,172
Other loan — secured	**–**	**–**	**–**	5.75	2025	137
Other loan — unsecured	**10.00–18.00**	**2026 or on demand**	**231**	7.00–20.88	2025	124
Total — current			**533**			1,462
Non-current						
Lease liabilities (note 14(b))	**2.35–7.78**	**2027–2029**	**30**	1.85–7.78	2026–2029	14
Bank loans — secured	**4.32–5.83**	**2027–2042**	**828**	–	–	–
Other loan — unsecured	**7.00–20.88**	**2027**	**270**	–	–	–
Total — non-current			**1,128**			14
Total			**1,661**			1,476

HK$ million	**2025**	2024
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**278**	1,172
In the second year	**586**	–
In the third to fifth years, inclusive	**74**	–
Beyond five years	**168**	–
Subtotal	**1,106**	1,172
Other borrowings repayable:		
Within one year or on demand	**255**	290
In the second year	**291**	6
In the third to fifth years, inclusive	**9**	8
Subtotal	**555**	304
Total	**1,661**	1,476

31. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

(a) As at 31 December 2025, the Group's bank and other loans were secured by:

(i) pledge of certain leasehold land included in right-of-use assets and buildings of the Group situated in Hong Kong with an aggregate carrying amount at the end of the reporting period of approximately HK$842 million (2024: HK$855 million) (note 14);

(ii) pledge of the Group's investment properties situated in Hong Kong, which had an aggregate carrying amount at the end of the reporting period of approximately HK$590 million (2024: HK$610 million) (note 15);

(iii) pledge of certain time deposits of the Group with an aggregate amount of HK$17 million (2024: HK$20 million) (note 28); and

(iv) pledge of the assets of the disposal groups classified as held for sale situated in Hong Kong, which had an aggregate carrying amount at the end of the reporting period of approximately HK$254 million (2024: HK$396 million) (note 22).

(b) Except for bank and other borrowings with the amount of approximately HK$93 million were denominated in US dollars, all the remaining bank and other borrowings of the Group were denominated in Hong Kong dollars as at 31 December 2025 (2024: all the bank and other borrowings of the Group were denominated in Hong Kong dollars).

(c) Approximately HK$86 million (2024: HK$206 million) bank borrowings repayable over one year were classified as current liabilities as at 31 December 2025 in accordance with the relevant accounting standards. The classification was resulted from the transfer of pledged investment properties to the assets of the disposal groups classified as held for sale.

(d) During the year, a waiver for non-compliance with a financial covenant related to approximately HK$1,045 million in bank borrowings, which was valid unit 31 December 2026, was obtained. Of these borrowings, approximately HK$828 million, repayable over one (1) year, was classified as non-current liabilities as of 31 December 2025.

32. CONVERTIBLE BONDS

On 20 January 2023, the Company issued the 2025 Convertible Bonds with principal amount of HK$220 million to Treasure Goal; and on 18 August 2023, the Company issued the 2024 Convertible Bonds with an aggregate principal amount of HK$30 million to six (6) parties. Details of these convertible bonds are set out as follows:

(a) 2025 Convertible Bonds

On 20 January 2023, pursuant to the subscription agreement dated 16 November 2022 entered into between Treasure Goal, a company wholly owned by Mr. Mak, the Chairman and controlling Shareholder, as subscriber and the Company as issuer in respect of subscription and issue of the 2025 Convertible Bonds for early redemption of the 2024 Bonds.

The maturity date of the 2025 Convertible Bonds will fall on 31 December 2025. The 2025 Convertible Bonds are convertible at the option of the bondholders into ordinary shares at the initial conversion price of HK$0.16 per conversion share (subject to adjustments pursuant to the terms and conditions of the 2025 Convertible Bonds) during the period from the issue date to the maturity date. The 2025 Convertible Bonds shall be redeemable at the option of the Company at any time on or before seven days before the maturity date of the 2025 Convertible Bonds. The 2025 Convertible Bonds are unsecured and carry interest at 4.5% per annum on the outstanding principal amount. Interest is payable monthly.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in the shareholders' equity.

During the year ended 31 December 2023, convertible bonds with a principal amount of HK$117 million were converted into 731,250,000 ordinary shares, resulting in additional issued capital of HK$73 million and share premium of HK$49 million.

On 5 June 2024, Treasure Goal transferred part of the 2025 Convertible Bonds in the principal amount of HK$20 million to Cheer Fame.

On 18 June 2024, upon completion of the disposal of subsidiaries, the consideration for the disposal of HK$9.5 million had been settled by offsetting against part of the principal amount of the 2025 Convertible Bonds held by Cheer Fame on a dollar-to-dollar basis (note 36), and the remaining principal amount of the 2025 Convertible Bonds held by Cheer Fame was reduced from HK$20 million to HK$10.5 million.

On 30 July 2025, upon completion of the disposal of subsidiaries, the consideration for the disposal of HK$5.6 million had been settled by offsetting against part of the principal amount of the 2025 Convertible Bonds held by Cheer Fame on a dollar-to-dollar basis (note 36), and the remaining principal amount of the 2025 Convertible Bonds held by Cheer Fame was reduced from HK$10.5 million to HK$4.9 million.

During the year ended 31 December 2025, no exercise of the conversion rights under the 2025 Convertible Bonds was made. The outstanding principle amount of the 2025 Convertible Bonds of HK$87.9 million (2024: HK$93.5 million) has been matured on 31 December 2025.

32. CONVERTIBLE BONDS *(continued)*

(b) 2024 Convertible Bonds

On 18 August 2023, pursuant to the subscription agreement dated 28 July 2023, entered into between six parties, independent third parties, as subscriber and the Company as issuer in respect of subscription and issue of the 2024 Convertible Bonds for cash, the Company issued the 2024 Convertible Bonds with an aggregate principal amount of HK$30 million. The maturity date of the 2024 Convertible Bonds will fall on the first anniversary of the date of issue of the convertible bonds, which will fall due on 18 August 2024. The bonds are convertible at the option of the bondholders into ordinary shares at the conversion price of HK$0.193 per conversion share (subject to adjustment pursuant to the terms and conditions of the convertible bonds) during the period from the issue date to the maturity date. The 2024 Convertible Bonds are unsecured and carry interest at 4.5% per annum on the outstanding principal amount. Interest is payable semi-annually after the date of issue of the convertible bonds.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in the shareholders' equity.

On 18 February 2024, the consideration for the disposal of HK$10 million included in other receivables had been settled by offsetting against part of the principal amount of the 2024 Convertible Bonds on a dollar-to-dollar basis. On 19 August 2024, the Company further redeemed an aggregate principal amount of HK$13 million pursuant to the terms and conditions of the 2024 Convertible Bonds.

On 19 August 2024, the Company entered into four deeds of amendments with four bondholders of the 2024 Convertible Bonds respectively in an aggregate outstanding principal amount of HK$7 million, pursuant to which the (i) maturity date of the 2024 Convertible Bonds be extended for one year from 18 August 2024 to 18 August 2025; (ii) conversion price be changed from HK$0.193 to HK$0.15 per conversion Share; and (iii) interest rate be increased from 4.5% to 9.0% per annum for the Extension (the "**Amendments**"). Completion of the Amendments to the 2024 Convertible Bonds took place on 27 August 2024.

During the year ended 31 December 2024, the Group has recognised the new fair value of 2024 Convertible Bond of HK$7 million due to substantial modification. The aggregate principal amount of HK$7 million has been fully redeemed during the year and no amount of 2024 Convertible Bonds was outstanding as at 31 December 2025.

32. CONVERTIBLE BONDS *(continued)*

The movement of the liability component of the convertible bonds during the year is as follows:

HK$ million	**2025**	2024
Liability component at 1 January	**96**	122
Extinguishment of convertible bond under substantial modification	**–**	(7)
Recognition of convertible bond under substantial modification	**–**	7
Interest expense	**9**	11
Interest paid	**(5)**	(5)
Redemption of convertible bonds	**(12)**	(32)
Liability component at 31 December	**88**	96
Analysed into:		
Current portion	**88**	96

33. SHARE CAPITAL

Shares

HK$ million	2025	2024
Authorised:		
20,000,000,000 (2024: 20,000,000,000) ordinary shares of HK$0.10 each	**2,000**	2,000
Issued and fully paid:		
1,599,675,452 (2024: 1,599,675,452) ordinary shares of HK$0.10 each	**160**	160

A summary of movements in the Company's share capital is as follows:

HK$ million	Number of shares in issue	Share capital HK$ million
At 1 January 2024	1,604,361,452	160
Cancellation of shares	(4,686,000)	–*
At 31 December 2024, 1 January 2025 and 31 December 2025	**1,599,675,452**	**160**

* Less than HK$1 million

Subsequent to the end of the reporting period, the Company has consolidated its authorized and issued share capital. Detail of which are set out in the note 45 of the consolidated financial statements.

Share options

Details of the 2021 Share Option Scheme are detailed in note 34 to the financial statements.

34. SHARE OPTION SCHEME

Share option scheme of the Company

The 2021 Share Option Scheme

At the AGM held on 23 June 2021 (the "**2021 AGM**"), an ordinary resolution was passed by the Shareholders of the Company to adopt the new 2021 Share Option Scheme. Unless otherwise cancelled or amended, the 2021 Share Option Scheme will be valid for 10 years from the date of adoption which is 23 June 2021. When the 2021 Share Option Scheme was approved by the Shareholders at the 2021 AGM and the Shareholders also approved that the total number of the Shares which may be allotted and issued upon exercise of all share options to be granted under the 2021 Share Option Scheme and any other share option scheme(s) must not in aggregate exceed 10% of the Shares in issue as at the date of the 2021 AGM (i.e. 87,311,145 Shares). As at the date of the 2021 AGM, the total number of issued Shares was 873,111,452. Shares which would have been issuable have lapsed or cancelled in accordance with the terms of the 2021 Share Option Scheme and any other share option scheme(s) will not be counted for the purpose of the 10% limit. On 25 June 2021, the Listing Committee of the Stock Exchange also granted approval for the listing of, and permission to deal in, such 87,311,145 Shares on the Stock Exchange which may fall to be allotted and issued by the Company pursuant to the terms and conditions of the 2021 Share Option Scheme.

Notwithstanding the foregoing, Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the total number of the Shares in issue from time to time. No share option shall be granted under any share option scheme(s) (including the 2021 Share Option Scheme) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

The purpose of the 2021 Share Option Scheme is to enable the Company to grant share options to the eligible participants, as incentives and/or rewards for their contribution or potential contribution to the Group and/or any entity interest in which any member of the Group holds any entity interest (the "**Invested Entity**") and/or the holding company of the Company (if applicable).

34. SHARE OPTION SCHEME *(continued)*

Share option scheme of the Company *(continued)*

The 2021 Share Option Scheme (continued)

The eligible participants of the 2021 Share Option Scheme include:

(a) any Director or proposed Director (whether executive, non-executive Director or the INED, any executive, officer, employee or any person to whom any offer of employment has been made, executive or officer (whether full-time or part-time, on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) of the Group;

(b) any supplier or services provider or goods provider to offer more economic and quality supplies to the Group;

(c) any customer to maximise the quantity of their orders and increase loyalty to the Group;

(d) any adviser, professional, consultant and agent to provide better services to the Group; and

(e) business partner or shareholder(s) of any Invested Entity and/or the holding company of the Company and/or any member of the Group who have contributed or will contribute to the growth and development of the Group;

(collectively as the "**Eligible Participant(s)**").

Pursuant to the 2021 Share Option Scheme, the total number of Shares issued and which may fall to be issued upon exercise of the share options granted under the 2021 Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding share options) to each Eligible Participant in any twelve (12)-month period up to the date of grant shall not exceed 1% of the total number of Shares in issue as at the date of grant.

Any further grant of share options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in a general meeting with such Eligible Participant and his/her associates abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Any circular to be issued by the Company must disclose, amongst other things, the details of the share options, including share options exercised or outstanding.

Any grant of share options to a Director, chief executive or substantial Shareholder or any of their respective associates is required to be approved by the INEDs, excluding the INED(s) who is/are the grantee(s) of the share options.

If the Company proposes to grant share options to a substantial Shareholder or any INED or their respective associates which will result in the number of Shares issued and to be issued upon exercise of share options granted (including share options exercised, cancelled and outstanding) to such person in the twelve (12)-month period up to and including the date of the offer of such grant:

(a) representing in aggregate over 0.1% of the total number of Shares in issue as at the date of the offer; and

(b) having an aggregate value in excess of HK$5 million, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange as at the date of each offer,

34. SHARE OPTION SCHEME *(continued)*

Share option scheme of the Company *(continued)*

The 2021 Share Option Scheme (continued)

such further grant of share options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting, and/or such other requirements prescribed under the Listing Rules from time to time except that the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company may vote against the relevant resolution at the general meeting, provided that his/her intention to do so has been stated in the circular.

There is no specific requirement under the 2021 Share Option Scheme that a share option must be held for any minimum period before it can be exercised, but the terms of the 2021 Share Option Scheme provide that the Board has the discretion to impose a minimum period at the time of grant of any particular share option.

The date of grant of any particular share option is the date when the duplicate offer document constituting acceptance of the share option duly signed by the grantee, together with a remittance in favour of the Company of HK$1.00 by way of consideration is received by the Company, such date must be on or before the 28th day after the share option is offered to the relevant grantee(s).

The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than ten (10) years after it has been granted. No share option may be granted upon the expiry of the 10th anniversary of the approval date of the 2021 Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board in accordance with the terms of the 2021 Share Option Scheme, the 2021 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption date which is 23 June 2021.

The exercise price for a Share in respect of any particular share option granted under the 2021 Share Option Scheme (which shall be payable upon exercise of the share option) shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

(a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day (and for this purpose shall be taken to be the date of the Board meeting at which the Board proposes to grant the share options);

(b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) business days immediately preceding the date of grant; and

(c) the nominal value of a Share.

The Company's share options do not confer rights on the holders to dividends or to vote at the general meetings of the Company.

As at 31 December 2025 and 2024, there was no share option granted under the 2021 Share Option Scheme and the total number of share options available for grant under the 2021 Share Option Scheme is 87,311,145 and the total number of Shares which may be issued upon grant and exercise of all such share options is 87,311,145, which represents 5.44% of the total number of issued Shares. No share option was granted, exercised or cancelled under the 2021 Share Option Scheme during the year.

35. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 66 of the financial statements.

The Group's capital reserve was created from the reduction of the Company's share capital which became effective on 7 August 2002 and the shareholder's contribution from early redemption of convertible bonds during the year ended 31 December 2022.

36. DISPOSAL OF SUBSIDIARIES

HK$ million	Notes	2025	2024
Net assets disposed of:			
Property, plant and equipment	14	**21**	1
Goodwill	16	**17**	–
Inventories		**–**	3
Trade receivables		**15**	18
Prepayment and other receivables		**4**	7
Cash and cash equivalents		**3**	4
Assets of disposal groups classified as held for sale		**–**	101
Trade payables		**(1)**	(6)
Other payables and accruals		**(13)**	(9)
Interest-bearing bank and other borrowings		**(10)**	(4)
Liabilities directly associated with the assets classified as held for sale		**–**	(8)
Subtotal		**36**	107
(Loss)/gain on disposal of subsidiaries (note 6)		**(13)**	4
		23	111
Satisfied by:			
Cash considerations per sale and purchase agreements		**17**	101
Convertible bonds (note 32(a))		**6**	10
		23	111

36. DISPOSAL OF SUBSIDIARIES *(continued)*

An analysis of the net (outflow)/inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

HK$ million	2025	2024
Cash considerations per sale and purchase agreements	**17**	101
Cash and bank balance disposed of	**(3)**	(4)
Consideration receivable included in other receivables as at year end	**(17)**	–
Offset with convertible bonds	**–**	10
Net cash (outflow)/inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**(3)**	107

The Group completed the following significant disposal of subsidiaries during the year ended 31 December 2024:

(i) the Group disposed of 100% equity interest in a subsidiary engaging in multimedia operations and magazine publication to a related party, for a consideration of HK$9.5 million (note 32 (a)); and

(ii) the Group disposed of 100% equity interest in two subsidiaries engaging in property investment to an independent third party, for a cash consideration of HK$101 million.

The Group completed the following significant disposal of subsidiaries during the year ended 31 December 2025:

(i) the Group disposed of 100% equity interest in subsidiaries engaging in the provision of landscape design services, retail sale of flowers and plants and provision of food and beverages to a related party, for a consideration of HK$5.6 million (note 32(a)); and

(ii) the Group disposed of 95% equity interest in a subsidiary engaging in the provision of car towing and logistics services to an independent third party, for a consideration of HK$17.1 million.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

During the year, the Group had (i) non-cash additions to right-of-use assets and lease liabilities of HK$56 million (2024: HK$19 million) and HK$56 million (2024: HK$19 million), respectively, in respect of lease arrangements for office premises, other equipment and motor vehicles; (ii) non-cash of the consideration for the disposal of subsidiaries of approximately HK$6 million had been settled by offsetting against part of the principal amount of the 2025 Convertible Bonds.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Changes in liabilities arising from financing activities

2025

HK$ million	**Disposal groups classified as held for sale — bank and other loans**	**Bank and other loans**	**Lease liabilities**	**Convertible bonds**
At 1 January 2025	**33**	**1,433**	**43**	**96**
New leases	**–**	**–**	**56**	**–**
Changes from financing cash flows	**(33)**	**179**	**(35)**	**(7)**
Disposal of subsidiaries	**–**	**–**	**(10)**	**–**
Interest expense	**1**	**114**	**3**	**9**
Redemption of convertible bonds	**–**	**–**	**–**	**(5)**
Interest paid classified as operating cash flow	**(1)**	**(114)**	**(3)**	**(5)**
Transfer from (to) disposal groups classified as held for sale	**5**	**(5)**	**–**	**–**
At 31 December 2025	**5**	**1,607**	**54**	**88**

2024

HK$ million	Bank and other loans	Lease liabilities	Convertible bonds
At 1 January 2024	1,361	76	122
New leases	–	19	–
Changes from financing cash flows	76	(52)	(13)
Disposal of subsidiaries	(4)	–*	–
Extinguishment of convertible bonds under substantial modification	–	–	(7)
Recognition of convertible bonds under substantial modification	–	–	7
Interest expense	103	2	11
Redemption of convertible bonds	–	–	(19)
Interest paid classified as operating cash flow	(103)	(2)	(5)
At 31 December 2024	1,433	43	96

* Less than HK$1 million

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(c) Total cash outflows for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

HK$ million	2025	2024
Within operating activities	**3**	2
Within financing activities	**35**	52
Total	**38**	54

38. CONTINGENT LIABILITIES

Litigations

During 2017 and in or about August 2018, various property purchasers initiated legal proceedings against a subsidiary of the Company (the "**Relevant Subsidiary**") concerning alleged misrepresentations on the part of the Relevant Subsidiary in relation to certain properties sold by the Relevant Subsidiary. In September 2018, the Court ordered that all individual legal proceedings against the Relevant Subsidiary were consolidated into one legal proceedings. Based on the existing legal documents and advice of the legal advisor of the Company, the Directors are of the opinion that there is a reasonably good chance of success in the defence by the Relevant Subsidiary. In the opinion of the Directors, no provision is considered necessary for the claims arising from the legal proceedings at the end of the reporting period (2024: Nil).

39. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other loans are included in note 31(a) to the financial statements.

40. COMMITMENTS

As at 31 December 2025, the Group has no material capital commitment (2024: HK$5 million).

41. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the reporting period.

HK$ million	Notes	2025	2024
Interest expense on the 2025 Convertible Bonds	(i)	**8.5**	8.7
Disposal of subsidiaries	(ii)	**5.6**	9.5
Rental income	(iii)	**1.4**	0.7

Notes:

(i) On 20 January 2023, the Company issued the 2025 Convertible Bonds as further detailed in note 32 to the financial statements.

(ii) On 30 July 2025, the Group disposed of a 100% equity interest in subsidiaries engaging in the provision of landscape design services, retail sale of flowers and plants and provision of food and beverages to a private company controlled by an immediate family member of Mr. Mak.

(iii) The amount represented office rental income from private companies controlled by a key management personnel and an immediate family member of Mr. Mak. The aforesaid transaction constituted exempt connected transaction for the Company under the Listing Rules.

(b) Compensation of key management personnel of the Group

HK$ million	2025	2024
Short term employee benefits	**8**	11

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

HK$ million

Financial asset

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Trade receivables	–	18	18
Investment in a film	16	–	16
Financial assets included in prepayments and other receivables	–	106	106
Financial assets at fair value through profit or loss	5	–	5
Promissory note receivable	–	130	130
Pledged time deposits	–	17	17
Cash and cash equivalents	–	12	12
Financial assets of disposal groups classified as held for sale	–	1	1
Total	21	284	305

Financial liabilities

	Financial liabilities at amortised cost
Trade payables	50
Other payables and accruals	154
Interest-bearing bank and other borrowings	1,661
Convertible bonds	88
Financial liabilities directly associated with the assets classified as held for sale	7
Total	1,960

42. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

2024

HK$ million

Financial asset

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
Trade receivables	–	27	27
Investment in a film	80	–	80
Financial assets included in prepayments and other receivables	–	33	33
Financial assets at fair value through profit or loss	5	–	5
Promissory note receivable	–	135	135
Pledged time deposits	–	20	20
Cash and cash equivalents	–	45	45
Financial assets of disposal groups classified as held for sale	–	1	1
Total	85	261	346

Financial liabilities

	Financial liabilities at amortised cost
Trade payables	42
Other payables and accruals	208
Interest-bearing bank and other borrowings	1,476
Convertible bonds	96
Financial liabilities directly associated with the assets classified as held for sale	35
Total	1,857

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged time deposits, trade receivables, trade payables, financial assets included in prepayments and other receivables, promissory note receivable and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the Directors and the audit committee of the Company. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the non-current portion of interest-bearing bank and other borrowings of HK$1,128 million (2024: HK$14 million) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2025 and 2024 was assessed to be insignificant.

The fair value of the investment in a film has been measured, at initial recognition, the costs of investment based on the cash consideration of the investment. The carrying amount at the end of the reporting period represented the fair value of the estimated net future cash flows from the investment attributable to the Group.

The fair values of other assets are based on quoted market prices.

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Fair value hierarchy

HK$ million	Quoted prices in active markets (Level 1)	Fair value measurement using Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value as at 31 December 2025:				
Financial assets at fair value through profit or loss				
— Other assets, at fair value	**5**	**–**	**–**	**5**
— Investment in a film	**–**	**–**	**16**	**16**
	5	**–**	**16**	**21**
Assets measured at fair value as at 31 December 2024:				
Financial assets at fair value through profit or loss				
— Other assets, at fair value	5	–	–	5
— Investment in a film	–	–	80	80
	5	–	80	85

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 (2024: Nil).

During the year ended 31 December 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2024: Nil).

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings and convertible bonds and cash and bank balances, and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	**Increase/ (decrease) in loss before tax HK$ million**
2025		
	100	**13**
	(100)	**(13)**

	Increase/ (decrease) in basis points	Increase/ (decrease) in loss before tax HK$ million
2024		
	100	12
	(100)	(12)

Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales or purchases by or expenditure of operating units in currencies other than the units' functional currency. During the year, the Group did not use any financial instruments for hedging purposes.

A reasonably possible strengthening (weakening) in the exchange rate of EUR against the Hong Kong dollar of 11.78% (2024: 6.79%) would result in decrease on the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) by approximately HK$0.9 million (2024: HK$75,000) in 2025.

A reasonably possible strengthening (weakening) in the exchange rate of RMB against the Hong Kong dollar of 4.10% (2024: 4.05%) would result in decrease on the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) by approximately HK$30,000 (2024: HK$36,000) in 2025.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, and financial assets at fair value through profit or loss, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. There is no significant concentration of credit risk in relation to the Group's financial assets, other than trade and other receivables. Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in notes 23 and 25 to the financial statements, respectively.

For the Group's trade receivables, since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by the Group based on counterparty.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Maximum exposure and year-end staging (continued)

As at 31 December 2025	**12-month ECLs**	**Lifetime ECLs**			
HK$ million	**Stage 1**	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
Trade receivables*	**–**	**–**	**–**	**27**	**27**
Financial assets included in prepayments and other receivables					
— Normal**	**108**	**–**	**–**	**–**	**108**
Pledged deposits	**17**	**–**	**–**	**–**	**17**
Cash and cash equivalents	**12**	**–**	**–**	**–**	**12**
Total	**137**	**–**	**–**	**27**	**164**

As at 31 December 2024	12-month ECLs	Lifetime ECLs			
HK$ million	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Trade receivables*	–	–	–	37	37
Financial assets included in prepayments and other receivables					
— Normal**	36	–	–	–	36
Pledged deposits	20	–	–	–	20
Cash and cash equivalents	45	–	–	–	45
Total	101	–	–	37	138

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to the financial statements.

** The credit quality of the finance assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets has a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, interest-bearing bank and other borrowings and lease liabilities. In addition, banking facilities have been put in place for contingency purposes.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31 December 2025

HK$ million	**Within one year or on demand**	**In the second year**	**In the third to fifth years, inclusive**	**Beyond five years**	**Total**
Trade payables	**50**	**–**	**–**	**–**	**50**
Other payables	**145**	**–**	**–**	**–**	**145**
Lease liabilities	**27**	**23**	**9**	**–**	**59**
Other interest-bearing bank and other borrowings and convertible bonds	**749**	**948**	**86**	**177**	**1,960**
Liabilities directly associated with the assets classified as held for sale	**7**	**–**	**–**	**–**	**7**
Total	**978**	**971**	**95**	**177**	**2,221**

As at 31 December 2024

HK$ million	Within one year or on demand	In the second year	In the third to fifth years, inclusive	Beyond five years	Total
Trade payables	42	–	–	–	42
Other payables	178	–	–	–	178
Lease liabilities	31	6	8	–	45
Other interest-bearing bank and other borrowings and convertible bonds	1,646	–	–	–	1,646
Liabilities directly associated with the assets classified as held for sale	36	–	–	–	36
Total	1,933	6	8	–	1,947

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

The primary objectives of the Group's capital management are to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total capital plus total borrowings. The Group includes interest-bearing bank and other borrowings, bond/convertible bonds in the total borrowings. Capital represents equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

HK$ million	**31 December 2025**	31 December 2024
Interest-bearing bank and other borrowings (note 31)	**1,661**	1,476
Convertible bonds (note 32)	**88**	96
Interest-bearing bank and other borrowings directly associated with the assets classified as held for sale	**5**	33
Total borrowings	**1,754**	1,605
Total capital	**358**	672
Total capital and borrowings	**2,112**	2,277
Gearing ratio	**83.0%**	70.5%

45. EVENT AFTER THE REPORTING PERIOD

(a) On 2 January 2026, the Company and the convertible bonds holders entered into a Deed of Amendment to restructure the convertible bonds. The proposed amendments were not passed at the Special General Meeting held on 25 February 2026. Please refer to the Company's announcements dated 2 January 2026 and 25 February 2026 for details.

(b) Subsequent to the year ended 31 December 2025, pursuant to a special resolution passed on 25 February 2026, the Company implemented the capital reorganization which comprise: (i) the share consolidation whereby every ten (10) issued ordinary shares of HK$0.10 each of the Company were consolidated into one (1) issued consolidated ordinary share of HK$1.00 each (the "**Consolidated Share**") in the issued and unissued share capital of the Company effective on 27 February 2026; and (ii) the capital reduction whereby the par value of all the then issued Consolidated Shares shall be reduced from HK$1.00 each to HK$0.10 each by cancelling the paid-up capital of the Company to the extent of HK$0.90 on each of the then Consolidated Shares in issue. All credit of approximately of HK$143,970,791 arising from the capital reduction was transferred to the contributed surplus account for use by the Board in any manner permitted by the Companies Act and the Bye-laws.

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

HK$ million	2025	2024
ASSETS		
Non-current assets		
Investments in subsidiaries	**2,338**	2,195
Current assets		
Prepayments and other receivables	**2**	2
Cash and cash equivalents	**1**	2
Total current assets	**3**	4
Total assets	**2,341**	2,199
EQUITY AND LIABILITIES		
Issued capital	**160**	160
Reserves	**126**	164
Total equity	**286**	324
Non-current liabilities		
Interest-bearing bank and other borrowings	**270**	–
Total non-current liabilities	**270**	–
Current liabilities		
Other payables and accruals	**119**	106
Convertible bonds	**88**	96
Due to subsidiaries	**1,441**	1,434
Interest-bearing bank and other borrowings	**137**	237
Total current liabilities	**1,785**	1,873
Total liabilities	**2,055**	1,873
Total equity and liabilities	**2,341**	2,197
Net current liabilities	**(1,782)**	(1,869)
Total assets less current liabilities	**556**	326

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

HK$ million	Capital redemption reserve	Share premium account	Capital reserve*	Distributable reserve	Equity component of convertible bonds	Accumulated losses	Total
At 1 January 2024	24	272	751	841	19	(1,658)	249
Loss and total comprehensive loss for the year	–	–	–	–	–	(83)	(83)
Redemption of convertible bonds	–	–	–	–	(4)	2	(2)
At 31 December 2024 and 1 January 2025	**24**	**272**	**751**	**841**	**15**	**(1,739)**	**164**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(37)**	**(37)**
Redemption of convertible bonds	**–**	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Transfer upon expiry of convertible bonds	**–**	**–**	**–**	**–**	**(14)**	**14**	**–**
At 31 December 2025	**24**	**272**	**751**	**841**	**–**	**(1,762)**	**126**

* The Company's capital reserve was created from the reduction of share capital which became effective on 7 August 2002 and shareholder's contribution from early redemption of bonds during the year ended 31 December 2022.

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 30 March 2026.

Other Information

PARTICULARS OF THE GROUP'S INVESTMENT PROPERTIES AS AT 31 DECEMBER 2025

Location	Lot number	Use	Tenure	Attributable interest of the Group
House No. 38 and Car Park Space P14 and P15, No. 56 Repulse Bay Road, Repulse Bay, Hong Kong	364/16,363rd parts of Rural Building Lot No. 172	Residential	Long term lease	100%
House No. 39 and Car Park Space P5 and P6, No. 56 Repulse Bay Road, Repulse Bay, Hong Kong	355/16,363rd parts of Rural Building Lot No. 172	Residential	Long term lease	100%
Car Park Space No. 5–11 on 1st Floor, Fortis Tower, 77–79 Gloucester Road, Hong Kong	1/3100th parts of Inland Lot No. 2782	Commercial	Long term lease	100%
Shop Nos. 297A, 297B, 297C, 297D, 298, 299, 300 and 301 on the portion of the Basement of the podium of Blocks 1, 2 and 3, City Garden (known as "**Maxibase**" of City Garden), No. 233 Electric Road, Hong Kong	2754/21,663rd of 1,135/100,180th shares of Inland Lot No. 8580	Commercial	Medium term lease	100%
Shop A on Ground Floor, Gramercy, No. 38 Caine Road, Hong Kong	2,150/89,772th of section A of Inland Lot No. 150	Commercial	Long term lease	100%
Shop A on First Floor, Gramercy, No. 38 Caine Road, Hong Kong	2,504/89,772th of section A of Inland Lot No. 150	Commercial	Long term lease	100%
Shop B on First Floor, Gramercy, No. 38 Caine Road, Hong Kong	853/89,772th of section A of Inland Lot No. 150	Commercial	Long term lease	100%
Workshop 8 on Ground Floor, MP Industrial Centre, No. 18 Ka Yip Street, Hong Kong	48/8,899th equal and undivided shares of and in Chai Wan Inland Lot No. 139	Commercial	Medium term lease	100%
18th Floor, CCT Telecom Building, No. 11 Wo Shing Street, Shatin, N.T., Hong Kong	14,427/289,200th equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 17	Commercial	Medium term lease	100%

Five (5)-year Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five (5) financial years, as extracted from the published financial statements and re-presented as appropriate, is set out below.

RESULTS

	Year ended 31 December				
HK$ million	**2025**	2024 (Restated)	2023	2022	2021
CONTINUING OPERATIONS					
REVENUE	**606**	530	765	812	731
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	**(335)**	(399)	(575)	(467)	(521)
Income tax	**15**	–*	–	–	–
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	**(320)**	(399)	(575)	(467)	(521)
DISCONTINUED OPERATIONS					
(Loss)/profit for the year from discontinued operations	**(7)**	3	–	–	–
LOSS FOR THE YEAR	**(327)**	(396)	(575)	(467)	(521)
(Loss)/profit attributable to:					
Owners of the Company	**(327)**	(396)	(577)	(465)	(517)
Non-controlling interests	**–**	–	2	(2)	(4)
	(327)	(396)	(575)	(467)	(521)

* Less than HK$1 million

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
HK$ million	**2025**	2024	2023	2022	2021
TOTAL ASSETS	**2,500**	2,786	2,841	3,339	4,048
TOTAL LIABILITIES	**(2,142)**	(2,114)	(2,110)	(2,166)	(2,418)
	358	672	731	1,173	1,630
EQUITY:					
Equity attributable to owners of the Company	**358**	672	731	1,166	1,621
Non-controlling interests	**–**	–	–	7	9
	358	672	731	1,173	1,630

Glossary of Terms

GENERAL TERMS

"2021 Share Option Scheme"	the share option scheme adopted by the Company on 23 June 2021 and approved by the Shareholders at the 2021 AGM
"2024 Bonds"	the 4.5% coupon bonds with the aggregate principal amount of HK$250,200,000 issued by the Company on 29 April 2022 to Treasure Goal. Partial principal amount of the HK$30,200,000 was redeemed by the Company on 16 November 2022 and the aggregate outstanding principal amount of HK$220,000,000 under the 2024 Bonds was setting off by Treasure Goal (the subscriber of the 2025 Convertible Bonds) against the subscription price of HK$220,000,000 of the 2025 Convertible Bonds issued by the Company on 20 January 2023
"2024 Convertible Bonds"	the 4.5% coupon convertible bonds due on 18 August 2024 with an aggregate principal amount of HK$30,011,500 at the initial conversion price of HK$0.193 per conversion Share issued by the Company on 18 August 2023 to not less than six (6) placees under general mandate. The Company redeemed a partial principal amount of HK$10,000,000 on 18 February 2024 and an aggregate principal amount of HK$13,256,500 at maturity respectively. Following the redemption, the terms had been amended that the (i) maturity date be extended to 18 August 2025; (ii) interest rate be increased to 9.0% per annum; and (iii) conversion price be changed to HK$0.15 per conversion Share; and the outstanding principal amount was HK$6,755,000 has been fully redeemed during the year and no amount of the 2024 Convertible Bonds was outstanding at the date of this annual report
"2025 Convertible Bonds"	the 4.5% coupon convertible bonds due on 31 December 2025 with the initial aggregate principal amount of HK$220,000,000 at the conversion price of HK$0.16 per conversion Share (subject to adjustments) issued by the Company on 20 January 2023 to Treasure Goal, the subscription price of the 2025 Convertible Bonds has been satisfied by setting off the aggregate outstanding principal amount of HK$220,000,000 under the 2024 Bonds by Treasure Goal, being the subscriber of the 2025 Convertible Bonds under the subscription agreement dated 16 November 2022. The outstanding principal amount of 2025 Convertible Bonds was HK$87,920,000 as at 31 December 2025 and the date of this annual report
"AGM"	the annual general meeting of the Company
"Audit Committee"	the audit committee of the Company
"Blackbird" or "Blackbird Group"	the Blackbird group established by the Company, which is engaged in the multi-faceted automotive business including the Ferrari business, Maserati importership, investment and trading of valuable collections, car logistics operations and other new business ventures
"Blackbird Concessionaires"	Blackbird Concessionaires Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company under the Blackbird Group
"Blackbird Tridente"	Blackbird Tridente Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company under the Blackbird Group
"Board"	the board of the Directors
"Bye-laws"	the bye-laws of the Company, as amended from time to time

GENERAL TERMS *(continued)*

"Capital Force"	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are owned as to 51% by Mr. Mak and 49% by Mr. TK Mak, a son of Mr. Mak, beneficially
"Capital Winner"	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are owned as to 51% by Mr. Mak and 49% by Mr. TK Mak beneficially
"CCT Securities"	CCT Telecom Securities Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, which is principally engaged in securities business
"CEO"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Company
"Cheer Fame"	Cheer Fame International Limited (喜威國際有限公司), a company incorporated in the British Virgin Islands with limited liability, the shares of which are beneficially and wholly-owned by Mr. TK Mak
"China" or "PRC"	the People's Republic of China
"Company"	CCT Fortis Holdings Limited (中建富通集團有限公司) (Stock Code: 00138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"ESG Report"	environmental, social and governance report of the Company for the year ended 31 December 2024
"Group"	the Company and its subsidiaries, from time to time
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"INED(s)"	independent non-executive Director(s)
"KPI"	Key Performance Indicator
"Listing Committee"	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC
"Mainland"	the mainland of the PRC

GENERAL TERMS *(continued)*

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"Mr. Mak"	Mr. Mak Shiu Tong, Clement is the sole beneficial owner of Treasure Goal; and the Chairman, the chief executive officer, an executive Director and the controlling Shareholder of the Company, and holds 25,589,652 issued Shares and is deemed under Part XV of the SFO to be interested in 1,173,953,079 issued Shares, representing approximately an aggregate of approximately 74.98% of the total number of issued Shares as at 31 December 2025. As a result of the Capital Reorganisation on 27 February 2026, he holds 2,558,965 issued Shares and is, for the purposes of Part XV of the SFO, deemed to be interested in 117,395,307 issued Shares, representing approximately 74.98% of the total number of issued Shares as at the date of this report
"N/A"	not applicable
"New Capital"	New Capital Industrial Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are owned as to 51% by Mr. Mak and 49% by Mr. TK Mak beneficially
"Nomination Committee"	the nomination committee of the Company
"Remuneration Committee"	the remuneration committee of the Company
"RMB"	Renminbi, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suremark"	Suremark Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company and a direct wholly-owned subsidiary of the Company
"Treasure Goal"	Treasure Goal International Limited (寶高國際有限公司), a company incorporated in the British Virgin Islands with limited liability, which is beneficially and ultimately owned by Mr. Mak
"US$"	US dollar(s), the lawful currency of the US
"US" or "USA"	the United States of America
"%"	per cent.

FINANCIAL TERMS

"Gearing ratio"	total borrowings (representing bank and other borrowings, bonds/convertible bonds and lease liabilities) divided by total capital employed (i.e. total Shareholders' fund plus total borrowings)
"Loss per Share"	loss attributable to ordinary equity holders of the Company divided by weighted average number of ordinary Shares in issue during the period
"Net Current Assets/(Liabilities)"	current assets less current liabilities
"Operating profit/(loss)"	operating profit/(loss) before interest, tax and unallocated income and expenses