

**GOLIK**  
HOLDINGS LIMITED

**2025**

**ANNUAL REPORT**



Incorporated in Bermuda  
with limited liability  
Stock Code: 1118

# GOLIK

**2025** ANNUAL REPORT

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. PANG Tak Chung MH (*Chairman*)  
Mr. HO Wai Yu, Sammy (*Vice Chairman*)  
Ms. PANG Wan Ping (*Chief Executive Officer*)  
Mr. PANG Chi To  
Mr. John Graham CHURCHFIELD  
(appointment effective 1st October, 2025 and  
resignation effective 14th November, 2025)

### Independent Non-executive Directors

Mr. HAI Tuen Tai, Freddie  
Mr. LUK Kam Fan, Jimmy  
Mr. LINN Hon Chung, Ambrose  
(*Lead Independent Non-executive Director*)  
(designation effective 8th January, 2026)

## COMPANY SECRETARY

Mr. HO Wai Yu, Sammy  
*FCCA MHKCS MHKSI*

## AUDITOR

Deloitte Touche Tohmatsu  
*Registered Public Interest Entity Auditors*

## LEGAL ADVISORS

Loeb & Loeb LLP  
W. K. To & Co.

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited  
Fubon Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong)  
Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
United Overseas Bank Limited

## AUDIT COMMITTEE

Mr. HAI Tuen Tai, Freddie  
Mr. LUK Kam Fan, Jimmy  
Mr. LINN Hon Chung, Ambrose

## REMUNERATION COMMITTEE

Mr. PANG Tak Chung MH  
Mr. HAI Tuen Tai, Freddie  
Mr. LUK Kam Fan, Jimmy  
Mr. LINN Hon Chung, Ambrose

## NOMINATION COMMITTEE

Mr. PANG Tak Chung MH (*Chairman*)  
Ms. PANG Wan Ping  
(appointment effective 30th June, 2025)  
Mr. HAI Tuen Tai, Freddie  
Mr. LUK Kam Fan, Jimmy  
Mr. LINN Hon Chung, Ambrose

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 6505, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## WEBSITE

[www.golik.com](http://www.golik.com)

## STOCK CODE

1118

## INVESTOR RELATION

[ir@golik.com](mailto:ir@golik.com)

# FINANCIAL SUMMARY

## For the year ended 31st December,

## RESULTS

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	4,053,908	4,271,161	4,145,653	3,445,784	<b>3,616,089</b>
Profit before taxation	249,096	106,180	178,756	208,262	<b>210,173</b>
Income tax expense	(27,553)	(15,642)	(17,864)	(27,829)	<b>(39,310)</b>
Profit for the year	221,543	90,538	160,892	180,433	<b>170,863</b>
Profit for the year attributable to:					
Owners of the Company	197,584	75,673	138,921	158,098	<b>151,235</b>
Non-controlling interests	23,959	14,865	21,971	22,335	<b>19,628</b>
	221,543	90,538	160,892	180,433	<b>170,863</b>

## At 31st December,

## ASSETS AND LIABILITIES

	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total assets	3,147,841	3,035,259	2,919,328	2,711,903	<b>2,856,149</b>
Total liabilities	(1,840,778)	(1,757,123)	(1,532,201)	(1,198,847)	<b>(1,204,395)</b>
Net assets	1,307,063	1,278,136	1,387,127	1,513,056	<b>1,651,754</b>
Equity attributable to owners of the Company	1,193,866	1,169,736	1,268,530	1,382,197	<b>1,509,419</b>
Non-controlling interests	113,197	108,400	118,597	130,859	<b>142,335</b>
Total equity	1,307,063	1,278,136	1,387,127	1,513,056	<b>1,651,754</b>

# BUSINESS PROFILE

## METAL PRODUCTS



High-performance Wire Rope



High-end Wire Rope Production Line in Tianjin, Chinese Mainland



High-end Wire Rope Production Line in Tianjin, Chinese Mainland



Galvanized Steel Wire Production Line in Heshan, Guangdong, Chinese Mainland

## BUILDING CONSTRUCTION MATERIALS



Steel Distribution



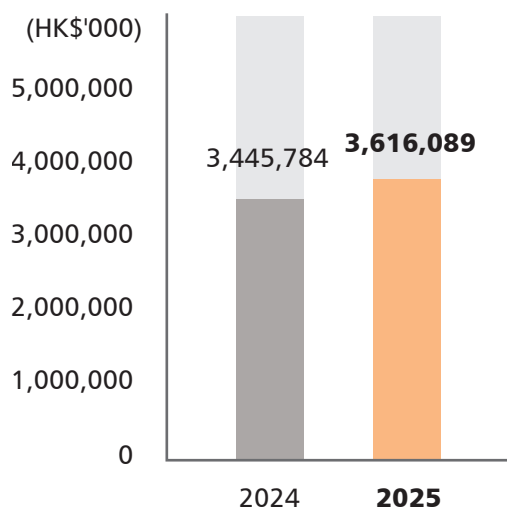
Supply of Ready Mixed Concrete



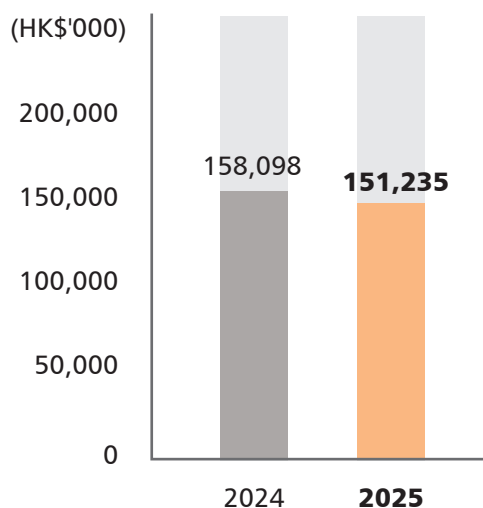
Automated Cut-and-bend Rebars Processing Plant in Tai Po, Hong Kong

# FINANCIAL HIGHLIGHTS

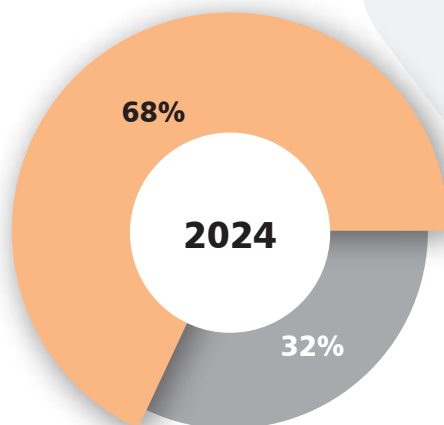
Revenue for the years ended 31st December, 2024 and 2025



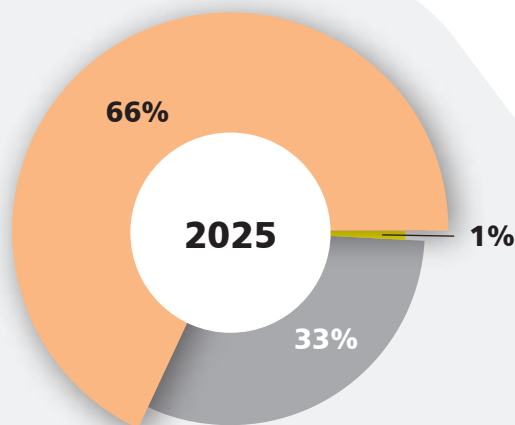
Profit for the year attributable to owners of the Company for the years ended 31st December, 2024 and 2025



Revenue by operating segments for the years ended 31st December, 2024 and 2025



- Building construction materials 68%
- Metal products 32%
- Medical imaging services 0%
- Other operation 0%



- Building construction materials 66%
- Metal products 33%
- Medical imaging services 1%
- Other operation 0%

# CHAIRMAN'S STATEMENT

## BUSINESS REVIEW

During the year, metal products, building construction materials and medical imaging services represent the Group's three core businesses.

For the year ended 31st December, 2025, the Group's total revenue was approximately HK\$3,616,089,000, representing an increase of 5% compared to last year.

The increase in revenue was mainly due to the full-year revenue from the medical imaging centre and the modest growth across all other businesses.

After the deduction of the profit attributable to non-controlling interests, the profit attributable to the Company amounted to approximately HK\$151,235,000, representing a decrease of 4% compared to last year, which included an one-off non-cash impairment loss on fixed assets of HK\$15,287,000. Excluding the impairment loss, operating profit increased compared to last year.

The Group remains highly vigilant toward current market conditions and will continue to rigorously implement its established development strategies, focusing on premium products and high-value-added services to maintain stable business performance.

**Pang Tak Chung MH**  
Chairman



# CHAIRMAN'S STATEMENT

During the year, the challenging macroeconomic environment showed no signs of improvement, and the Group's business segments continued to face varying degrees of challenges and pressures. In a complex and ever-changing macroeconomic landscape, the Group and the management team remained united and focused on steadfastly implementing its established development strategies, emphasising premium products and value-added services for both the steel wire rope manufacturing business in Chinese Mainland and the building construction materials business in Hong Kong.

Despite the highly competitive business environment, the Group has managed to carve out a niche for itself, underlying the solid foundation and operational resilience of its business. Through the tireless efforts of the Group and the management team, the Group maintained relatively satisfactory annual results.

## **Metal Products**

The business mainly consists of steel wires and steel wire rope products manufactured in Tianjin, Heshan and Jiangmen in Chinese Mainland.

Revenue for the year was approximately HK\$1,179,374,000, representing an increase of 8% compared to last year. Profit before interest and taxation was approximately HK\$138,801,000, representing an increase of 15% compared to last year.

The cut-throat price competition in the manufacturing industry in Chinese Mainland did not ease during the year but rather intensified. Although the Central government has repeatedly called for "anti-involution", related measures are difficult to implement in a free-market economy. The Group's elevator wire rope products faced further margin erosion during the year. With the Group's market-leading position, sales volume remained on par with the previous year, yet its profit contribution declined.

The high-performance lifting wire rope business continued to perform satisfactory during the year, with moderate increases in both sales volume and profitability compared to last year, supported by gradual improvements in the product range and application scope, particularly in export markets. The steel wire rope company in Tianjin received the "Supplier Excellence Recognition" from **Caterpillar**, the world's largest manufacturer of construction machinery equipment, for the second consecutive year, reflecting the Group's ongoing partnership with its key brand clients.

The Group will take this outcome as encouragement to continue enhancing product quality management and customer service. Supported by the satisfactory performance of lifting wire ropes, which helped to partially offset market pressures on elevator wire rope products, the performance of the Group's metal products business during the year showed improvement compared with last year.

## **Building Construction Materials**

The business comprises mainly of ready mixed concrete, precast concrete products and processing and distribution of construction steel products in Hong Kong.

Revenue for the year was approximately HK\$2,398,691,000, representing an increase of 2% compared to last year. Profit before interest and taxation was approximately HK\$145,291,000, representing a decrease of 4% compared to last year.

# CHAIRMAN'S STATEMENT

Despite facing various challenges during the year, the Group's building construction materials business in Hong Kong remained relatively stable. This resilience stemmed from the Group's established market position and its deliberate strategy of prioritising value-added, high-quality products and services rather than engaging in pure price competition. Furthermore, the successful execution of several outstanding supply contracts with comparatively higher gross profit margins significantly contributed to this outcome. As a result, the business achieved a satisfactory overall performance during the year.

The Hong Kong construction industry and building construction materials market continue to contract amid a severe shortage of both private development projects and government public works. This scarcity of construction activity has sharply reduced demand for building construction materials, fuelling exceptionally intense competition within the industry. Certain products now face cut-throat price wars, exposing the Group's building construction materials business to the risk of further margin erosion. This challenging trend is projected to persist for the foreseeable future.

## **Medical Imaging Service**

The business specialises in providing medical imaging services, including computed tomography (CT) scanning, magnetic resonance imaging (MRI) and positron emission tomography (PET) scanning in Hong Kong.

Revenue for the year was approximately HK\$41,393,000, and loss before interest was approximately HK\$11,645,000.

Since its official launch in November 2024, **Assure Medical Imaging (AMI)** has performed in line with expectations, with stable utilization rates for its major imaging equipment. Loss for the year was significantly reduced compared to last year, successfully attaining a positive full-year EBITDA.

Intensifying competition in Hong Kong's medical imaging market, particularly from Chinese Mainland imaging service providers that attract both local and cross-border customers with low-priced diagnostic packages and health checkups supported by aggressive digital marketing, has exerted pressure on our pricing and patient retention. Nevertheless, we will continue to focus on cost control, operational efficiency, patient experience and referral doctor relationship to enhance our service differentiation and maintain competitiveness.

# CHAIRMAN'S STATEMENT

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2025, the total cash and cash equivalents of the Group amounted to approximately HK\$805,620,000 (31st December, 2024: approximately HK\$599,490,000). As at 31st December, 2025, current ratio (current assets to current liabilities) for the Group was 2.19:1 (31st December, 2024: 2.04:1).

As at 31st December, 2025, the total borrowings of the Group amounted to approximately HK\$444,841,000 (31st December, 2024: approximately HK\$536,733,000).

As at 31st December, 2025, capital commitments contracted in respect of acquisition for property, plant and equipment for the Group amounted to approximately HK\$8,255,000 (31st December, 2024: approximately HK\$2,263,000), funding for the capital commitments will be generated mainly from internal resources.

The Group's monetary assets are principally denominated in Hong Kong dollars, Renminbi and United States dollars. As Hong Kong dollars is pegged to United States dollars, the Group believes its exposure to exchange risk is limited. For the fluctuation of exchange rate of Renminbi, the Management will continue to monitor foreign exchange exposure of Renminbi and will take prudence measures to minimize the currency risk.

## CAPITAL STRUCTURE

The number of the Company's ordinary shares in issue as at 31st December, 2025 was 574,378,128 (31st December, 2024: 574,378,128).

As at 31st December, 2025, the equity attributable to the shareholders of the Company amounted to approximately HK\$1,509,419,000 (31st December, 2024: approximately HK\$1,382,197,000).

As at 31st December, 2025, net gearing ratio (total borrowings minus cash and cash equivalents to total equity) was -0.22:1 (31st December, 2024: -0.04:1).

## EMPLOYMENT AND REMUNERATION POLICY

As at 31st December, 2025, the total number of staff of the Group was 1,511. Remuneration is determined with reference to the performance, qualifications and experience of the employees concerned and the prevailing industry practice. The Group provides Mandatory Provident Fund entitlement to Hong Kong's employees. Moreover, share options may be granted as an incentive or reward to eligible employees in accordance with the share option scheme adopted on 14th June, 2024.

# CHAIRMAN'S STATEMENT

## PROSPECT

Looking ahead to 2026, the operating environment is expected to remain challenging and uncertain. The Group's businesses will continue to face downward pressure from intense market competition, particularly due to the uncertainties created by geopolitical factors affecting the export of certain products to the US market. Against this backdrop, the Group remains highly vigilant toward current market conditions and will continue to rigorously implement its established development strategies, focusing on premium products and high-value-added services to maintain stable business performance. We are confident in overcoming the current difficulties and challenges, and in guiding the Group steadily towards sustainable and high-level development to deliver long-term and stable returns for shareholders.

## ACKNOWLEDGEMENT

I would like to take this opportunity to sincerely thank each employee and management staff in abundance for their past efforts and contributions. I would also like to thank our customers, shareholders, banks and business associates for their long-term supports. With your continued support in the coming year, the Group endeavours to achieve an even better result.

**Pang Tak Chung 彭卓光**  
*Chairman*

Hong Kong, 27th March, 2026

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## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Pang Tak Chung MH**, aged 76<sup>(Note)</sup>, has been an executive director of the Company since 1996, currently is the chairman of the Company and the Group, the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Pang is the founder of Golik Metal Industrial Company Limited (“Golik Metal”) in 1977, a director and the sole shareholder of the Company’s major shareholder Golik Investments Ltd. and personally also a substantial shareholder of the Company, he is responsible for overall strategic planning and business move of the Group. Mr. Pang currently is a honorary citizen in both Jiangmen and Heshan of Guangdong Province, he was awarded a Medal of Honor by the Hong Kong Government in 2019. Mr. Pang has over 50 years’ experience in the trading and manufacturing industry in Hong Kong and the Chinese Mainland, he also has extensive experience in international trading practices. Mr. Pang is the father of Ms. Pang Wan Ping and Mr. Pang Chi To, both are executive directors of the Company.

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**Mr. Ho Wai Yu, Sammy**, aged 69<sup>(Note)</sup>, has been an executive director of the Company since 1996, currently is the vice chairman and company secretary of the Company and the finance director of the Group, he is responsible for finance, accounting, information technology development, legal and corporate matters of the Group. Mr. Ho is a fellow member of the Association of Chartered Certified Accountants, a full member of the Hong Kong Computer Society, an ordinary member of the Hong Kong Securities and Investment Institute and a founder and permanent honorable president of the IT Accountants Association. He has over 45 years’ experience in finance, accounting, computing, investment and project management. Mr. Ho joined Golik Metal in 1994.

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**Ms. Pang Wan Ping**, aged 47<sup>(Note)</sup>, has been an executive director of the Company since 2013, currently is the chief executive officer of the Group and a member of the nomination committee of the Company. Ms. Pang is also a director of the Company’s major shareholder Golik Investments Ltd., she is responsible for overseeing core business units of the Group on their overall managements each respectively, coordinating various activities among the Group’s operations, identifying new project and looking after its development. Ms. Pang holds a Bachelor of Architecture Degree, a Master Degree of Commerce majoring in Finance and a Master Degree of Legal Studies, all graduated from The University of New South Wales, Australia. She is a Registered Architect with the New South Wales Architects Registration Board in Australia, a member of the Australian Institute of Architects, a chartered member of the Royal Institute of British Architects and an associate member of the Hong Kong Institute of Architects. Ms. Pang currently is a member of the Chinese People’s Political Consultative Conference Tianjin Municipal Committee. Ms. Pang joined the Company in 2009 and has over 23 years’ experience in property development and construction industry. Prior to the Group, she worked at Goodman Group in Australia as a Registered Architect in the property development division. Ms. Pang is the daughter of Mr. Pang Tak Chung MH, the chairman of the Company and the Group, and the sister of Mr. Pang Chi To, an executive director of the Company.

# BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Pang Chi To**, aged 48<sup>(Note)</sup>, has been an executive director of the Company since 2021, currently is the chief technology officer of the Group, he is responsible for reviewing new plant and machinery purchases, coordinating technical specialists for relevant maintenance work and obtaining latest information regarding steel/metal value added production process technology/methodology from time to time for the Group, furthermore, he also looks after several member business operations of the Group. Mr. Pang holds a Bachelor of Engineering (Mechanical) from the University of Sydney, Australia. In Hong Kong, he is a member in Industry & Technology Committee of the Hong Kong General Chamber of Commerce and a director in General Committee of the Hong Kong Metal Merchants Association, further in Chinese Mainland, he is an executive president in Council Committee and the president in Youth Committee both of the Jiangmen Association of Enterprises with Foreign Investment. Mr. Pang joined as a sales engineer in the Group's welded wire mesh division early in 2001, since then he worked in different business units particularly in the areas to study, update, recommend and coordinate procurement, installation and maintenance work for major machineries and equipment for the Group's steel/metal value added production process, he has over 24 years' experiences and exposure in the industrial plants and machineries aspect. Mr. Pang is the son of Mr. Pang Tak Chung 潘國興, the chairman of the Company and the Group, and the brother of Ms. Pang Wan Ping, an executive director of the Company.

**Mr. Hai Tuen Tai, Freddie**, aged 57<sup>(Note)</sup>, has been an independent non-executive director of the Company since 2021, currently is a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Hai holds a Degree of Bachelor of Science (Hons) Architecture, Planning, Building & Environmental Studies and Post-graduate Diploma of Architecture, both graduated from the Bartlett School of Architecture, University College London, London University, United Kingdom. He is a Registered Architect and Authorized Person (Architect) in Hong Kong and a Registered Architect under PRC Class 1 Registered Architect Qualification in Chinese Mainland. He is a member of the Hong Kong Institute of Architects in Hong Kong and a LEED accredited professional of the Green Business Certification Incorporation in United States. Mr. Hai is a council member of Hong Kong Institute of Architects and a member in the Planning Sub-committee of the Land and Development Advisory Committee and the Harbourfront Commission of the Hong Kong Government. He is a director of architecture of Ove Arup & Partners Hong Kong Limited in Hong Kong, with over 31 years' experience and exposure in architectural field.

**Mr. Luk Kam Fan, Jimmy**, aged 65<sup>(Note)</sup>, has been an independent non-executive director of the Company since 2022, currently is a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Luk holds a Degree of Bachelor of Art (Hons) in Economics majoring in finance and accounting from the University of Manchester, United Kingdom. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a corporate consultant working on his own in both Hong Kong and Australia. He is an independent non-executive director of Powell Max Limited from 6th September, 2024 to 16th December, 2025, the shares of which are listed on the Nasdaq Stock Market (stock code: PMAX). He has over 28 years' experience and exposure in the accounting, auditing, taxation and corporate advisory services with "Big Four", included PricewaterhouseCoopers and Deloitte Touche Tohmatsu.

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## BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

**Mr. Linn Hon Chung, Ambrose**, aged 64<sup>(Note)</sup>, has been an independent non-executive director of the Company since 2023, currently is the lead independent non-executive director, a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Linn holds a Degree of Bachelor of Science (Hons) Finance and Marketing from the University of San Francisco, United States, he is the chief executive of Hong Kong Construction Materials Association Limited (the "Association"), the Association is the authoritative representative and unified voice for construction materials industry in Hong Kong and also a liaison key point between the industry and relative bureaus and work departments from the Hong Kong Government. Mr. Linn is a chartered fellow of The Chartered Institute of Logistics and Transport in Hong Kong, he has over 33 years' experience and exposure in the logistics industry, previously having served DHL Global Forwarding Asia Pacific, TNT Hong Kong and Kerry Logistics Hong Kong Limited for different positions at top management during which he participated in various value added strategic roles for integrated demand/supply/value chain management, air/ocean/road/multimodal freight forwarding transport services and technology based customer oriented data digitalization infrastructure.

Note: Effective from the year, the Company has adopted "age at year end" instead of "age of next birthday" as reference for age-count of all directors.

# CORPORATE GOVERNANCE REPORT

The Board is committed to maintain a good standard of corporate governance practices within the Group as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

## CORPORATE GOVERNANCE PRACTICES

The Company has fully complied with the code provisions set out in the CG Code for the year ended 31st December, 2025.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standards set out in Appendix C3 to the Listing Rules (the "Model Code"). Specific enquiry has been made by the Company to each director of the Company confirming that they have complied with the required standards set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company for the year ended 31st December, 2025.

## THE BOARD

The Board currently comprises four executive directors and three independent non-executive directors. The members of the Board during the year and up to the date of this report are:

### Executive Directors

Mr. Pang Tak Chung <sup>MH</sup> (*Chairman*)

Mr. Ho Wai Yu, Sammy (*Vice Chairman*)

Ms. Pang Wan Ping (*Chief Executive Officer*)

Mr. Pang Chi To

Mr. John Graham Churchfield

(appointment effective 1st October, 2025 and resignation effective 14th November, 2025)

### Independent Non-executive Directors

Mr. Hai Tuen Tai, Freddie

Mr. Luk Kam Fan, Jimmy

Mr. Linn Hon Chung, Ambrose (*Lead Independent Non-executive Director*)

(designation effective 8th January, 2026)

The directors acknowledged their responsibilities for the preparation of the accounts of the Group.

The Board is responsible for overseeing overall management of business and strategic development, deciding business and investment plans and exercising other powers, functions and duties conferred by shareholders at the general meeting. All directors have full and timely access to all relevant information in relation to the Company as well as the advices and services of the company secretary, if and when required, with a view to ensuring that the Board procedures and all applicable rules and regulations are followed.

For a director to be considered independent, the director must not have any direct or indirect material relationship with the Group. The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and considers each of the independent non-executive directors to be independent.

The directors and officers' liability insurance has been arranged for all directors and officers of the Group.

# CORPORATE GOVERNANCE REPORT

## TRAINING AND SUPPORT FOR DIRECTORS

Directors should take initiative to participate in continuous professional development (“CPD”) to develop and refresh their knowledges and skills, this is to ensure their respective contributions for the Board being updated with required information. Company secretary of the Company shall from time to time report the Board latest changes and developments of the Listing Rules, corporate governance practices and other regulatory regimes and arrange suitable trainings in relation to roles, functions and responsibilities of a director. The Company also encourages directors to do study themselves and/or to attend external courses for knowledge strengthened regarding a director’s roles and responsibilities for a listed company, course fee for which could be reimbursable fully upon applied.

During the year, CPD’s studies/learnings participated by directors with self-initiative themselves from time to time through online searches, physical readings and/or attendances in seminars, training courses and/or industrial/professional occasions...etc. have been summarized below with statistical information claimed individually by directors:

Name	Scope for areas covered					Approximate Number of Hours of CPD Studies/Trainings Completed in 2025 <sup>(Note)</sup>
	Rules, Laws and Regulations	Environmental, Social and Governance	Risk Management and Internal Control	Director’s Relevant Profession and the Group’s Businesses	Directors’ Duties and Responsibilities	
<b>Executive Directors</b>						
Mr. Pang Tak Chung MH	✓	✓	✓	✓	✓	39
Mr. Ho Wai Yu, Sammy	✓	✓	✓	✓	✓	77
Ms. Pang Wan Ping	✓	✓	✓	✓	✓	49
Mr. Pang Chi To	✓	✓	✓	✓	✓	386
Mr. John Graham Churchfield (from 1st October, 2025 to 14th November, 2025)	✓	✓			✓	1
<b>Independent Non-executive Directors</b>						
Mr. Hai Tuen Tai, Freddie	✓	✓	✓	✓	✓	35
Mr. Luk Kam Fan, Jimmy	✓	✓	✓	✓	✓	48
Mr. Linn Hon Chung, Ambrose	✓	✓	✓	✓	✓	39

Note: Studies/Trainings completed included learnings from the Company’s circulated relative materials, directors’ data collection for individual interested topics and personal online/physical participation in seminars, conferences and/or occasions organized by outsiders, including professional, industrial, social and/or governmental sectors.

# CORPORATE GOVERNANCE REPORT

## TERMS OF NON-EXECUTIVE DIRECTORS

Code provision of the CG Code requires that non-executive directors should be appointed for a specific term and subject to re-election.

The Company has entered into service contracts with the directors (including non-executive directors) which set out key terms and conditions relative to their appointments. All of them have agreed and accepted with the terms and conditions under their respective service contracts. The service contracts of all non-executive directors are on an annual renewable basis.

All directors of the Company shall be subject to retirement by rotation at least once every three years in accordance with the Company's Bye-laws.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year, the role of the chairman and chief executive officer are held separately by Mr. Pang Tak Chung 彭達中 and Ms. Pang Wan Ping. The chairman is responsible for overall strategic planning and business move of the Group. The chief executive officer is responsible for overseeing core business units of the Group on their overall managements each respectively, coordinating various activities among the Group's operations, identifying new project and looking after its development.

## COMPANY SECRETARY

Mr. Ho Wai Yu, Sammy is the company secretary, who is also an executive director of the Company. He supports the Board, ensures good information flow within the Board and Board policy and procedures are followed, advises the Board on governance matters and arranges continuous professional development to the directors. His biography is set out in the "Biography of Directors and Senior Management" of this annual report.

## BOARD MEETINGS

The Board met four times regularly during the year. At the meetings the directors discussed and formulated overall strategies for the Group, monitored financial performance and discussed respectively the quarterly, interim and annual results, as well as other significant matters. Daily operational matters are delegated to the management.

The company secretary assists the chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are followed. He also keeps detailed minutes of each meeting, which are available to all directors. Draft copies of the minutes have been circulated to all directors for comment and approval as soon as practicable after each meeting.

All directors have access to relevant and timely information, and they can ask for further information or retain independent professional advisors if necessary. They also have unrestricted access to the advice and services of company secretary, who is responsible for providing directors with board papers and related materials and ensuring that board procedures are followed.

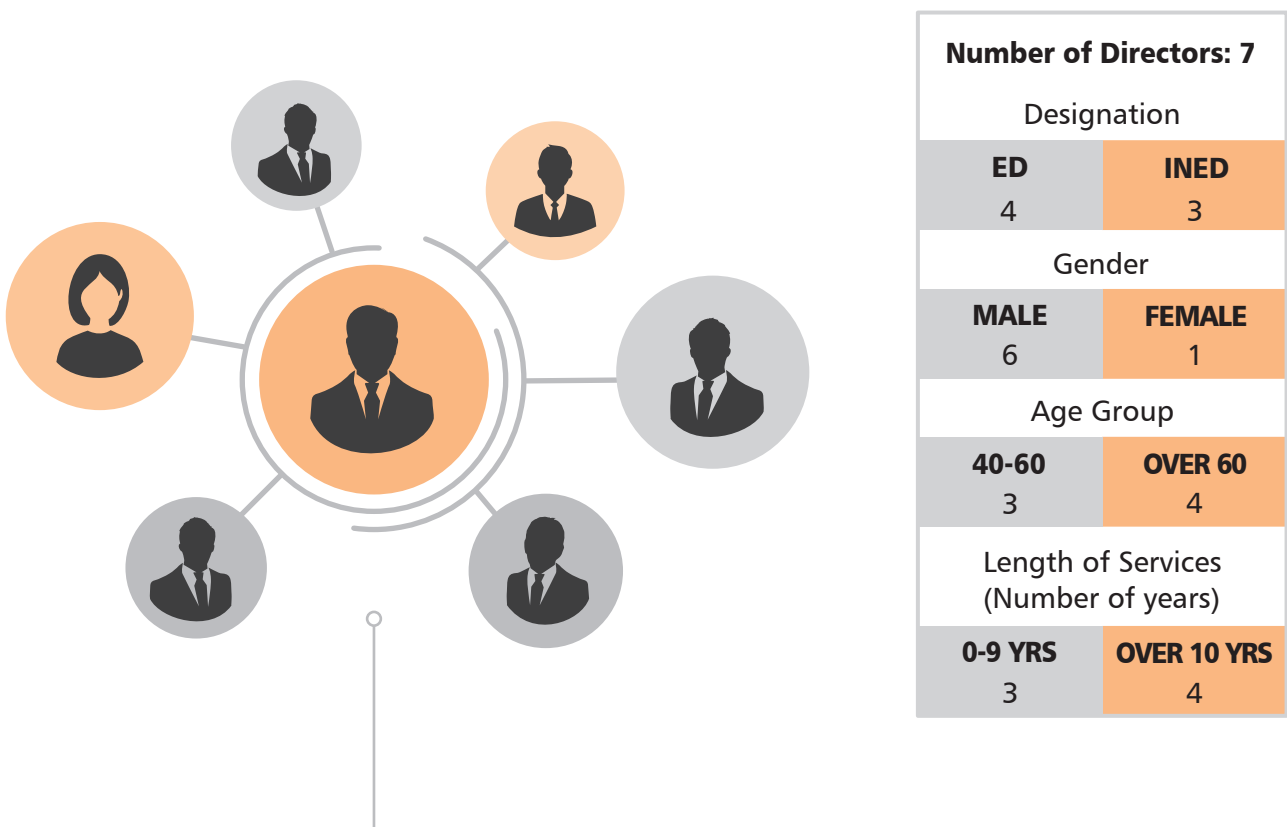
# CORPORATE GOVERNANCE REPORT

## BOARD DIVERSITY

The Board adopted per the Company's self condition of the board diversity policy ("Board Diversity Policy") in accordance with the requirement set out in the CG Code. Such policy aims to set out the approach to achieve diversity on the Board. Under the Board Diversity Policy, the appointments and/or recommendation for appointment will be based on objective criteria, having due regard to the benefits of diversity on the Board, including but not limited to, the candidates' gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Board monitors, from time to time, the implementation of the Board Diversity Policy, and reviews, as appropriate, the policy to ensure the effectiveness of the Board Diversity Policy. The Board will continue to give adequate consideration to these measurable objectives when making recommendations of candidates for appointment to the Board.

### Board Composition, Gender & Age Distribution and Length of Service

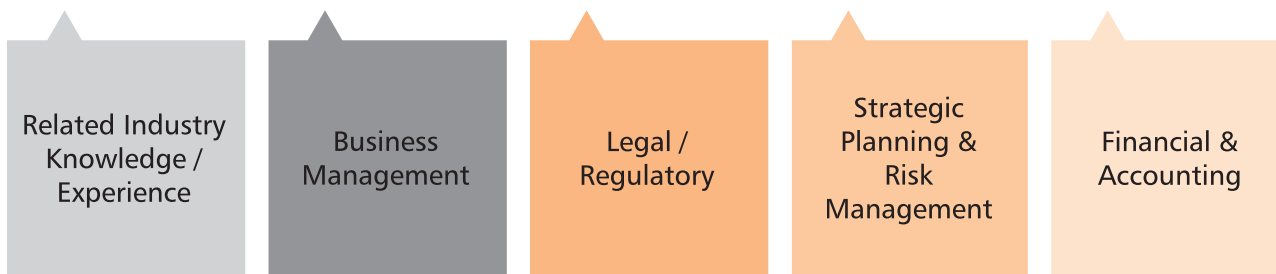


Currently, the Board includes a female member, accounting for 14% in the Board's members composition, subject to further need of the Company's business in future, the Board may consider to seek to increase female ratio in the Board if required.

# CORPORATE GOVERNANCE REPORT

## BOARD DIVERSITY *(continued)*

### Areas of Board Skills & Experience



The Board diversity contains global business vision, high level profession professionalism and independence essential element making the Board capable to ensure the required independent judgement to carry out professional, logical, honest and accurate decision on deliberation and consideration of all material matters.

The nomination committee has reviewed composition, size and structure of the Board during the year and upon taken the business requirement of the Company into consideration, is of a view that the current incumbent Board has fulfilled relevant requirements per the Board Diversity Policy.

### NOMINATION OF DIRECTORS

The Board is empowered under the Company's Bye-laws to appoint any person as a director either to fill a casual vacancy on or as an additional member of the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are based on objective criteria, having due regard to the benefits of diversity on the Board under the Board Diversity Policy.

### AUDIT COMMITTEE

The Company established its audit committee on 5th January, 1999 with written terms of reference which are in line with the CG Code and available on the Company's website. The audit committee comprises Messrs. Hai Tuen Tai, Freddie, Luk Kam Fan, Jimmy and Linn Hon Chung, Ambrose who are all independent non-executive directors. The audit committee shall meet at least twice a year to review the Group's financial reporting process and internal controls.

During the year, the audit committee met four times to review the completeness, accuracy and fairness of the Group's financial statements, financial reporting system, internal control system, the scope and nature of the external audit and matters concerning the engagement of external auditors. The Group's interim and annual results have been reviewed by the audit committee, who is of the opinion that the relevant financial statements of the Group are complied with applicable accounting standards and legal requirements, and that adequate disclosures have been made. The adequacy of resources, qualifications and experience of the employees of the Group's accounting and financial reporting function has also been reviewed by the audit committee.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION COMMITTEE

The Company established its remuneration committee on 21st April, 2005 with written terms of reference which are in line with the CG Code and available on the Company's website. In order to comply with the requirements under the CG Code, a majority of the members of remuneration committee has to be independent non-executive directors. Currently, the remuneration committee comprises one executive director namely Mr. Pang Tak Chung MH and three independent non-executive directors namely Messrs. Hai Tuen Tai, Freddie, Luk Kam Fan, Jimmy and Linn Hon Chung, Ambrose.

The remuneration committee shall meet at least once a year to make recommendations to the Board on the Group's policy and structure for all remuneration of executive directors and on the establishment of formal and transparent procedures for developing policy on such remuneration.

The remuneration committee held one meeting during the year and discussed and reviewed the remuneration package of executive directors and the remuneration policy for executive directors for the year ended 31st December, 2025.

## NOMINATION COMMITTEE

The Company established its nomination committee on 30th December, 2021 with written terms of reference which are in line with CG Code and available on the Company's website. In order to comply with the requirements under the CG Code, a majority of the members of nomination committee has to be independent non-executive directors. Currently, the nomination committee comprises two executive directors namely Messrs. Pang Tak Chung MH and Pang Wan Ping and three independent non-executive directors namely Messrs. Hai Tuen Tai, Freddie, Luk Kam Fan, Jimmy and Linn Hon Chung, Ambrose. Mr. Pang Tak Chung MH is the chairman of the nomination committee.

The nomination committee shall meet at least once a year to review the structure, size, diversity profile and skills set of members of the Board against its needs and make recommendation on the composition of the Board to achieve the Group's corporate strategy as well as promote shareholder value. It identifies suitable director candidates and selects or makes recommendation to the Board on the appointment or re-appointment of directors and succession planning of directors. Furthermore, it also assesses the independence of independent non-executive directors having regard to the criteria under the Listing Rules and reviews the director Nomination Policy and the Board Diversity Policy periodically and makes recommendation on any proposed revisions to the Board.

The nomination committee held one meeting during the year and discussed and reviewed the structure, size, diversity profile and skills set of members of the Board against its needs for the year ended 31st December, 2025.

# CORPORATE GOVERNANCE REPORT

## NOMINATION POLICY

The Board has also adopted a nomination policy (the “Nomination Policy”) which sets out the selection criteria and procedure of appointing and re-appointing a Director. The selection criteria used in assessing the suitability of a candidate include, inter alia, his/her academic background and professional qualifications, relevant experience in the industry, character and integrity and whether he/she can contribute to the diversity of the Board as detailed in the Board Diversity Policy. The procedure of appointing and re-appointing a Director is summarised as follows:

- nomination and invitation of suitable candidates by any member of the Board;
- evaluation of the candidate by the Board based on all selection criteria as set out in the Nomination Policy;
- performing due diligence in respect of each candidate and making recommendation for the Board’s consideration and approval;
- in case of nomination of an independent non-executive director, assessing the candidate’s independence under the relevant code provisions of the CG Code and the Listing Rules;
- where nominating an independent non-executive director for election at general meetings, having due consideration of matters under code provision B.3.4 of the CG Code;
- in the context of re-appointment of retiring directors, reviewing the candidate’s overall contribution and performance and making recommendations to the Board and/or the shareholders for consideration in connection with his/her re-election at general meetings; and
- convening a meeting of the Board to consider the appointment or re-appointment of the candidate as a director.

## DIRECTORS’ ATTENDANCE RECORDS FOR MEETINGS HELD DURING THE YEAR ENDED 31ST DECEMBER, 2025

Name	Number of Meetings attended/held during the year				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
<b>Executive Directors</b>					
Mr. Pang Tak Chung MH	4/4	N/A	1/1	1/1	1/1
Mr. Ho Wai Yu, Sammy	4/4	N/A	N/A	N/A	1/1
Ms. Pang Wan Ping	4/4	N/A	N/A	1/1	1/1
Mr. Pang Chi To	4/4	N/A	N/A	N/A	1/1
Mr. John Graham Churchfield (appointment effective 1st October, 2025 and resignation effective 14th November, 2025)	N/A	N/A	N/A	N/A	N/A
<b>Independent Non-executive Directors</b>					
Mr. Hai Tuen Tai, Freddie	2/4	2/4	1/1	1/1	1/1
Mr. Luk Kam Fan, Jimmy	4/4	4/4	1/1	1/1	1/1
Mr. Linn Hon Chung, Ambrose	4/4	4/4	1/1	1/1	1/1

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# CORPORATE GOVERNANCE REPORT

## **DIVIDEND POLICY**

The declaration, form, frequency and amount of any dividend payout of the Company must be in accordance with relevant laws, rules and regulations and subject to the articles of association of the Company. Subject to compliance with applicable laws, rules, regulations and the Articles of Association, in deciding whether to propose any dividend payout, the Board will take into account, among other things, the financial results, the earnings and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effects on the credit lines, and the current and future development plans of the Company.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

An effective risk management is integral to developing the strategy that drives business objectives of the Group. The Board provides oversight of the risk management process. With the implement a top-down and company-wide risk management and internal control systems that covers every aspect of the business, the risk management process is incorporated into the daily operations. All employees are reminded to stay vigilant to potential risks in the operations. The Board evaluates impacts of the potential risks in order to identify and pay attention to major risks in the business. The risk management and internal control systems are designed to manage rather than eliminate risks of failure to achieve business objectives, and can only provide reasonable, but not absolute assurance against material misstatement or loss.

The management of the Group has established the policies and procedures in areas of risk domains, including but not limited to financial, business and strategic, operational for safeguarding assets against any unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Group's risk management and internal control systems on an ongoing basis. Periodic meetings are held and guidance are issued to the directors and management where appropriate, to raise awareness of best corporate governance practices. The Group also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest.

### **Delegation of management functions**

The Board reserves its decision for all major matters in each the Group's business unit including approving and monitoring policy makings, overall strategies and budgets, internal controls systems and risk managements, material business transactions, capital commitments, bank credit arrangements, appointment of executive officers and other significant financial and operational matters.

The day to day management of each the Group's business unit is delegated to respective executive officer and operating management. The delegated functions and responsibilities are required to be reviewed periodically, approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

The Group's internal audit function carry out review work per respective pre-scheduled operation and procedure manual for each of the Group's business unit periodically and submit its findings, if any, for the audit committee's review and comment to the Group's risk management and internal control systems. Recommendation if any made from the audit committee, the Board is pleased to adopt where appropriate.

# CORPORATE GOVERNANCE REPORT

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

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

The Group complies with requirements of Securities and Futures Ordinance (“SFO”) and the Listing Rules to formulate an inside information guideline on handling inside information and reminded the directors and employees about compliance with the guideline which is enforced in the staff handbook. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. Release of inside information shall be overseen by the Board. Unless authorised by the Board, the staff members of the Group shall not disseminate inside information relating to the Group to any external parties which may materially affect the trading price or volume of the shares on the market. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact which requires equal disclosure of both positive and negative facts.

In addition to the review of risk management and internal control systems undertaken within the Group, the external auditor also assesses the adequacy and effectiveness of certain key risk management and internal control as part of the statutory audits. Where appropriate, the external auditor’s recommendations are adopted and enhancements to the risk management and internal control will be made.

For the year ended 31st December, 2025, the Board considered the risk management and internal control systems of the Group to be effective and adequate. No significant areas of concern that might affect shareholders were identified.

### **AUDITOR’S REMUNERATION**

During the year ended 31st December, 2025, the fees paid/payable to the principal auditor of the Company, Deloitte Touche Tohmatsu (“Deloitte”), in respect of audit and non-audit services provided by Deloitte were as follows:

<b>Nature of services</b>	<b>Fee paid/ payable HK\$’000</b>
Audit services	2,407
Non-audit services	
– Agreed-upon procedures in relation to preliminary announcement of annual results	10
– Provision of advisory services for Environmental, Social and Governance reporting	110
Total fees	<u>2,527</u>

# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS

The Company is committed to enhance communication and relationship with shareholders, general meeting of the Company provides a direct forum for communication between shareholders and the Board. General meeting includes annual general meeting (the "AGM") and special general meeting (the "SGM"), the AGM shall be convened by the Board while the SGM can be convened by the Board or shareholders. Other than the AGM, all general meetings of the Company are called the SGM.

The AGM allows the Company's directors to meet and communicate with shareholders yearly, a circular with form of proxy and notice of the AGM is dispatched to all shareholders at least 20 clear business days prior to the meeting date, setting out detail of each proposed resolution, poll voting procedure and other relevant information. In the AGM, the chairman would demand poll for each resolution being put forward to be voted in accordance with the Company's Bye-laws. After the AGM, all poll voting results would be published on the websites of the Stock Exchange and the Company respectively.

Apart from general meetings, the Company's website also acts as an efficient channel to provide both financial and non-financial information for shareholders, including corporate matters, business overview, interim and annual reports, press releases, announcements, circulars as well as overall industry development to enable shareholders to have a timely and an updated idea of the Group.

## SHAREHOLDERS' RIGHTS

### **The way in which shareholders can convene a SGM and the procedures for making proposals**

In accordance with the Company's Bye-laws, shareholders altogether holding not less than one-tenth of the Company's paid-up capital carrying voting right in general meetings of the Company shall at all times have the right by a written requisition to the Board to demand a SGM to transact proposal(s) requested and such SGM shall be held within 2 months from the date of the requisition deposited.

Within 21 days of such deposition, if the Board failed to convene such a meeting for shareholders, the meeting requisitionists may convene the SGM themselves to do the same in accordance with the Company's Bye-law.

Names and shareholdings registered with the Company of the requisitionists and their proposal(s) to be transacted in the SGM must be stated clearly in the written requisition and such requisition shall be deposited to the Company's head office in Hong Kong.

### **The procedures for sending enquiries to the Board**

Any enquiries from shareholders can be made by telephone, facsimile or email to the Company during office hours, or by letter sent to the Company's head office in Hong Kong.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Golik Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) hereby present the 2025 report on our Environmental, Social, and Governance (“ESG”) performance (this “Report”). It outlines the ongoing progress in our ESG initiatives, reflecting our steadfast commitment to making a beneficial impact on the environment, society, and the communities we engage with.

## ABOUT THIS REPORT

### Board Statement

The Board’s foremost purpose is to generate, strengthen, and deliver sustainable long-term value for our shareholders, which serves as the guiding objective for all business units. We recognise that sustainability plays an essential role in unlocking the full potential of our three core business pillars while addressing the expectations of our broader stakeholder community.

This commitment is deeply rooted in our corporate strategy and ingrained within our organisational culture. It shapes our goals, actions, and governance standards, ensuring integrity and strong business practices throughout our daily operations.

ESG principles are integrated throughout the Group, reflecting our long-term commitment to fostering a business that is adaptable, efficient, and forward-thinking. Sustainability also underlies every major decision we make, acknowledging its significance to all stakeholders.

This year, we launched a series of meaningful new sustainability initiatives, including conducting qualitative climate risk assessments, analysing climate-related financial impacts, and calculating Scope 3 emissions – tangible actions that underscore our unwavering commitment to embedding sustainability into the core of our business operations. Guided by a practical and proactive mindset, the Group will continue to advance targeted sustainability initiatives and drive ongoing improvement efforts, striving to elevate our sustainable performance and uphold rigorous accountability to all our stakeholders.

### Reporting Period

This Report outlines the ESG performance of our Hong Kong and Chinese Mainland operations for the period between 1st January, 2025 and 31st December, 2025, includes data from previous years for comparison.

### Reporting Framework

This Report has been prepared in accordance with the “Environmental, Social and Governance Reporting Code” (the “ESG Code”) outlined in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (“HKEX”).

All statistical information presented in this Report is based on data collected internally by the Group. The Report covers activities and data from our operations and manufacturing facilities in Hong Kong and Chinese Mainland, with a primary focus on Hong Kong businesses. The Group adopts a phased approach to ESG reporting and remains committed to continuously reviewing, expanding, and enhancing disclosures to give stakeholders a deeper understanding of our ESG practices and performance. Our sustainability framework is progressively embedded into daily operations, ensuring it continues to play a central role in our business activities. The annual sustainability report will remain a component of our annual report.

The report is accessible on our website at [www.golik.com](http://www.golik.com).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ESG MANAGEMENT APPROACH

### **Sustainability Governance Structure**

The Group has established a Sustainability Committee operating under the oversight of the Board of Directors. An Executive Director has been appointed to chair this committee, supported by the general managers of our operating units and the corporate department. Working in close collaboration with the Board, the Sustainability Committee is responsible for executing ESG strategies and assessing their effectiveness in driving the Group's sustainable development.

The Committee also conducts regular reviews of ESG goals to ensure alignment with evolving global trends, updated disclosure and reporting standards, and the expectations of our stakeholders. Its key focus is to guide and encourage our business units toward achieving low-carbon objectives, while continuing to enhance ethical governance, responsible business conduct, and the delivery of enduring positive value.

We determine whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to Sustainability Committee. To this end, we provide ongoing training and resources to deepen awareness of climate issues and their potential business implications. These efforts help build a knowledgeable leadership team and workforce, well-prepared to navigate key ESG challenges.

Our action on overseeing of climate-related risks and opportunities including determine how and how often it is informed about climate-related risks and opportunities; take into account climate-related risks and opportunities when overseeing strategy, decision on major transactions and risk management process and related policies; and setting targets and monitoring progress, performance metrics and remuneration policies related to climate-related risks and opportunities.

### **Materiality Assessment**

During the financial year, the Group carried out a Materiality Assessment in collaboration with key members of our management team to determine the most relevant ESG factors. These material aspects represent the environmental, social, and governance issues that have a significant impact on our operations or that may meaningfully affect stakeholder perceptions and decision-making. To identify these priorities, the Group collected feedback and concerns from internal management teams as well as from various operational units. Following review and validation by the Board, six key material aspects were confirmed: Climate Change, Water & Wastewater Management, Occupational Health and Safety, Employee Training and Development, Business ethics and integrity, and Product quality and safety.

### **Stakeholders' Engagement**

Engaging with stakeholders is a critical aspect of the Group's sustainability approach, as they comprise individuals and entities either influenced by our operations, activities, products, and services or capable of influencing the implementation of our strategies and decision-making processes. Understanding the expectations and concerns of our stakeholders remains a key priority to ensure the creation of shared value across all stakeholder groups. Throughout the financial year, the Group maintained active communication with key stakeholders through a range of engagement initiatives to foster transparency and strengthen relationships.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ESG MANAGEMENT APPROACH *(continued)*

### STAKEHOLDER GROUPS

Shareholders and Investors	Banks	Employees	Suppliers	Customers	Community Groups and NGOs	Media
<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Annual and Interim Results Press Releases</li> <li>• Announcements and Circulars</li> <li>• One-on-one Meetings</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Annual and Interim Results Announcements</li> <li>• Announcements and Circulars</li> <li>• One-on-one Meetings</li> <li>• Press Releases</li> </ul>	<ul style="list-style-type: none"> <li>• Training Sessions</li> <li>• Team-building Activities</li> <li>• Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>• Screening and Assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Service Hotlines</li> <li>• Screening and Assessments</li> <li>• Surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Community Events</li> <li>• Social Media</li> </ul>	<ul style="list-style-type: none"> <li>• Press Releases</li> <li>• Website</li> </ul>



### Stakeholders' Feedback

The Group values the feedback and insights from our stakeholders, as they play an important role in guiding the continuous enhancement of our sustainability strategies and performance. We invite stakeholders to share their views and suggestions regarding our sustainability initiatives by contacting us at:

Email: [info@golik.com](mailto:info@golik.com)

Address: Suite 6505, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE

### Climate Change

During the financial year, the Group enhanced the climate-related disclosure capabilities in order to align with the requirements of HKEX. For those requirements where full disclosure is not yet practicable, the relevant information gaps and underlying considerations are set out below and in this chapter under the section titled “HKEX ESG Content Index.”

### Governance

The Group integrates the management of ESG-related risks and opportunities into its overall governance framework, ensuring that climate considerations are systematically incorporated into strategic planning, business decisions, and resource allocation processes. Climate-related governance forms an essential part of the Group’s wider ESG oversight structure. Further information can be found in the section “ESG Management Approach” on page 26 and 27.

### Strategy

#### *Climate-related risks and opportunities*

Recognising that climate change poses both physical and transitional risks with potential implications for operational stability and long-term sustainability, the Group has incorporated climate-related factors into its strategic planning to enhance resilience and maintain competitiveness. During the financial year, we conducted assessments to identify climate-related risks and opportunities, evaluating their potential financial impacts across our business model and value chain. These assessments are conducted over short-term (2025–2027), medium-term (2028–2030), and long-term (beyond 2030) time horizons, consistent with the Group’s strategic planning framework.

The following table presents the material climate-related risks and opportunities identified to the Group’s operations over various time horizons, together with their potential impacts on the business model and value chain, as well as the corresponding mitigation measures implemented to address them.

Risks	Time Horizon	Potential Impacts on Business Model and Value Chain	Mitigation Action
<b>Physical risk</b> Typhoons, heavy rain and flooding	Short- and medium-term	<ul style="list-style-type: none"> <li>Suspension of site operations and potential damage to projects in progress.</li> <li>Interruptions in the supply and transportation of construction materials.</li> <li>Schedule setbacks leading to heightened contractual and operational risks.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor weather forecasts closely to suspend outdoor operations proactively.</li> <li>Secure construction materials (e.g. cover steel products, elevate cement silos) and equipment in flood-resistant storage areas.</li> <li>Maintain alternative local suppliers for critical materials to avoid supply disruptions.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

### Climate Change *(continued)*

#### Strategy *(continued)*

Climate-related risks and opportunities *(continued)*

Risks	Time Horizon	Potential Impacts on Business Model and Value Chain	Mitigation Action
Extreme heat	Short-term	<ul style="list-style-type: none"> <li>Decline in productivity for outdoor and labour-intensive activities.</li> <li>Elevated health and safety risks, particularly concerning heat-related conditions such as heat stress and heat stroke.</li> <li>Difficulties in handling and applying materials sensitive to temperature fluctuations, may need investment in batching plant cooling systems.</li> </ul>	<ul style="list-style-type: none"> <li>Implement flexible work hours (e.g. early morning/late afternoon shifts) to avoid peak midday heat.</li> <li>Provide shaded rest areas, cool drinking water, and heat-stress training for on-site workers.</li> </ul>
<b>Transition risk</b> Carbon pricing	Short- and medium-term	<ul style="list-style-type: none"> <li>Rising expenses for imported materials affected by carbon pricing mechanisms such as Emissions Trading Schemes.</li> <li>Financial pressure on project profitability and overall procurement budgets.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct regular cost reviews to allocate carbon pricing expenses into project budgets.</li> <li>Explore low-carbon material substitutions to reduce overall emissions.</li> </ul>
Tightening environmental regulations	Short- and medium-term	<ul style="list-style-type: none"> <li>Greater regulatory compliance and disclosure obligations.</li> <li>Possible project delays or higher costs arising from certification, monitoring, and documentation processes.</li> <li>Possible increase in capital investment for equipment update to achieve licence requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Closely monitor regulatory updates and align operations with new requirements.</li> <li>Phase in equipment upgrades (e.g. dust suppression systems) to meet new licence standards.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

### Climate Change *(continued)*

#### Strategy *(continued)*

#### Climate-related risks and opportunities *(continued)*

Risks	Time Horizon	Potential Impacts on Business Model and Value Chain	Mitigation Action
Adopting low-carbon technologies	Short-term	<ul style="list-style-type: none"> <li>Upfront capital expenditure and necessary modifications to existing workflows.</li> <li>Constraints due to limited supplier availability and varying levels of technology maturity.</li> <li>Requirement for training programmes to enhance the capabilities of employees and subcontractors.</li> <li>Uncertainties from evolving market.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt low-cost, proven low-carbon measures (e.g. energy-efficient lighting, optimised equipment scheduling) before investing in complex systems.</li> <li>Partner with industry associations to access supplier networks and training resources for low-carbon practices.</li> <li>Develop a phased training plan for employees and subcontractors to build capacity for new technologies gradually.</li> </ul>
Increasing cost of raw materials	Short- and medium-term	<ul style="list-style-type: none"> <li>Reduced profit margins under fixed-price contractual arrangements.</li> <li>Possible project delays coupled with rising operational costs.</li> <li>Growing demand to transition toward more sustainable materials and practices.</li> </ul>	<ul style="list-style-type: none"> <li>Diversify raw material suppliers and negotiate long-term contracts to stabilize pricing.</li> <li>Optimise material usage (e.g. reduce concrete waste, reuse steel offcuts) to lower consumption and costs.</li> </ul>
Reputational risk	Medium-term	<ul style="list-style-type: none"> <li>Failure to meet sustainability expectations may reduce eligibility for tender opportunities and partnership.</li> <li>Risk of reputational damage or adverse perception among stakeholders and the wider public.</li> <li>Potential loss of project bids if fall behind ESG performance.</li> </ul>	<ul style="list-style-type: none"> <li>Source and promote sustainable materials (e.g. obtain CIC Green Product Certification) to meet market expectations.</li> <li>Engage with local communities and industry partners to demonstrate commitment to responsible operations.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

### Climate Change *(continued)*

#### Strategy *(continued)*

Climate-related risks and opportunities *(continued)*

Opportunities	Time Horizon	Potential Impacts on Business Model and Value Chain	Enhancement Actions
<b>Opportunity</b> Meeting market demand for sustainable infrastructure	Short- and medium-term	<ul style="list-style-type: none"> <li>Expanding opportunities driven by increasing client demand and market preference for energy-efficient and low-impact projects.</li> <li>Strengthened market positioning through alignment with evolving ESG standards and expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Certify sustainable product lines to align with client ESG requirements.</li> <li>Collaborate with contractors and developers to promote sustainable material options in project bids.</li> <li>Highlight ESG credentials in marketing materials to attract clients prioritising green infrastructure.</li> <li>Upskill teams to advise clients on sustainable material choices and project design.</li> </ul>

#### *Business model and value chain*

During the financial year, the Group undertook a systematic assessment of the potential effects of the climate risks and opportunities outlined previously on its business model and value chain dynamics. The findings of this assessment indicate that, at present, these climate-related factors do not have a material impact on the Group's operations, a result underpinned by the efficacy of its current mitigation measures. As climate risk management practices evolve, the Group will proactively deploy scenario analysis in the near future to strengthen its ability to identify and assess emerging climate-related risks and their potential long-term consequences for its business.

#### *Strategy and decision-making*

The Group integrates climate-related risks and opportunities into its strategic planning and decision-making processes by embedding low-carbon and resilience principles into project development and operational activities. This includes implementing foundational energy-saving measures to capture emerging market opportunities.

During the year, we do not have a formal, detailed climate-related transition plan in place, these ongoing efforts are progressively laying the groundwork for a future climate transition road map.

Existing internal resources, including dedicated operational teams and budget allocations for efficiency improvements, are deemed adequate to implement the climate mitigation and adaptation measures outlined above. The Group intends to build on these foundations by developing scenario analysis in the near term, which will inform the potential evolution of its business model and resource allocation to address climate-related risks and opportunities more comprehensively.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

### Climate Change *(continued)*

#### Strategy *(continued)*

*Financial position, financial performance and cash flows*

The Group acknowledges that climate-related risks and opportunities can influence both current and future aspects of its financial performance, cash flow, and overall financial position.

- **Current financial effect:** During the financial year, the Group evaluated the existing financial implications arising from the climate-related issues identified, our diversified product profile has built a resilience supply chain. Based on our best knowledge, the Group does not anticipate any material changes to the carrying amounts of assets and liabilities in the next annual reporting period resulting from the climate-related factors identified.
- **Anticipated financial effect:** The Group expects that climate-related factors will impact on our financial performance over time. For example, higher upfront investment in greener equipment and alternative fuel, it is crucial to balance between upfront cost and evolving market demand. Also, China's ETS is going to enter a stricter phase, which we foresee the carbon cost from Chinese Mainland cement producers with pass down to downstream.

As part of the Group's effort to strengthen the management of climate-related risks and opportunities, we plan to conduct climate-related scenario analysis in the future to enhance our understanding of anticipated financial effect of climate related factors across the short, medium, and long term horizons. Through this process, we aim to evaluate (i) possible impacts on the Group's financial position, taking into account future investments, strategic plans, and funding sources, and (ii) potential effects on financial performance and cash flow projections. We will continue evaluate and monitor the changes and will provide disclosure in future reports when the anticipated financial effects become material.

#### *Other Cross-Industry Metrics*

The previous climate risk and opportunity table provides a qualitative overview of the Group's assets and business activities that may be exposed to climate related physical and transition risks, as well as those positioned to capture climate related opportunities.

#### *Capital Deployment*

In 2025, the Group strengthen its commitment to climate resilience by investing in acquisition of electric vehicle, sustainable building materials and resource management. Ongoing R&D project support on granulated blast-furnace slag (GGBS) and pulverised fuel ash (PFA) concrete can increase durability and reduce carbon footprint during construction. Wastewater sedimentation ramp is constructed to optimise solids handling and facilitate water recycling.

#### *Climate Resilience*

The Group acknowledges the critical need to evaluate the climate resilience of its business strategy and model against climate-related changes, developments, and uncertainties, with particular emphasis on the physical and transition risks and opportunities previously identified.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

### Climate Change *(continued)*

#### Strategy *(continued)*

#### Climate resilience *(continued)*

The Group is actively advancing its work to assess climate resilience. While a formal climate-related scenario analysis has not yet been conducted as of the reporting date, the Group has undertaken a qualitative review of its current operational and strategic positioning, which has yielded the following insights:

- **Implications for strategy and business model:** The review indicates that near-term physical risks (e.g. typhoons, extreme heat) could disrupt site operations and material supply chains, while transition risks (e.g. carbon pricing, tightening regulations) may increase operational costs over the medium term. These findings highlight the need to prioritise resilience in project planning and supplier management.
- **Significant uncertainties:** Key areas of uncertainty include the timing and magnitude of regulatory changes related to carbon pricing, the frequency and intensity of extreme weather events, and the pace of market demand for sustainable construction materials.
- **Capacity to adapt:** The Group has demonstrated an ability to adjust its operations in response to short-term climate impacts, such as implementing flexible work hours during extreme heat and securing alternative local suppliers to mitigate supply chain disruptions. It also intends to build medium-to-long-term adaptive capacity by integrating resilience principles into future product design.

To strengthen its resilience assessment, the Group plans to conduct climate-related scenario analysis in the near term. This analysis will incorporate a range of climate scenarios aligned with the latest international climate agreements, covering both physical risks and transition risks. The analysis will be applied across the Group's key operational locations and business units, with a focus on short- and medium-term time horizons, to better quantify potential impacts and inform strategic decision-making.

### Risk Management

The Group's risk management framework provides the foundation for identifying, evaluating, prioritising, and monitoring climate-related risks and opportunities. Within this framework, climate considerations are assessed alongside other enterprise-wide risks, applying a consistent and integrated evaluation methodology.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

**Climate Change** *(continued)*

**Risk Management** *(continued)*

### RISK MANAGEMENT FRAMEWORK

#### Risk Identification

Identify risks and opportunities that may impact project objectives, encompassing both ESG and climate-related considerations.

#### Risk Assessment

Assess the identified risks according to their probability of occurrence and potential magnitude of impact.

#### Risk Prioritisation

Conduct qualitative evaluation to prioritise the most material and relevant risks before escalating for management review and action.

#### Risk Management

Put in place control measures to address climate risks with ongoing monitoring and updates.

Climate-related risks and opportunities are addressed as part of our integrated risk management approach, which aims to ensure key climate-related matters are identified, assessed, prioritised, managed and monitored. During the financial year, the Group conducted a materiality assessment of climate-related risks and opportunities covering our operations in both Hong Kong and Chinese Mainland. The identification process incorporated industry research, peer benchmarking, and internal stakeholder engagement to identify relevant physical risks, transition risks and potential opportunities. As this is the first year the Group has conducted a formal climate risk and opportunity assessment, our assessment focused on collating and validating these inputs to confirm relevance to our business. Quantitative measures, such as likelihood or impact magnitude scales, were not applied during the reporting period.

To prioritise climate-related matters, the Group conducted a climate risk & opportunity survey where cross-functional respondents selected the four most significant risks and opportunities that could influence the Group's development. The four most frequently selected items were designated as material priorities and incorporated into our broader operational risk category to ensure they receive appropriate attention alongside other core business risks.

The Group monitors climate-related risks and opportunities through its existing risk and opportunity management processes, with periodic reviews to assess the effectiveness of these management measures. Updates were made to the Group's climate-related risk and opportunity management approach as necessary to align with evolving business needs and industry best practices, and review findings are regularly reported to senior management to ensure ongoing oversight and the embedding of climate considerations into strategic planning and day-to-day operational oversight.

Under the leadership of senior management, the Group is enhancing its climate risk management by integrating scenario analysis into future assessments of climate-related risk and opportunities and formalising its risk management processes in upcoming reporting periods.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

### Climate Change *(continued)*

#### Metrics and Targets

During the financial year, total Scope 1 and 2 emissions amounted to 2,321 tonnes of CO<sub>2</sub>e, representing a significant increase compared with 2024. This increase was primarily attributable to the expansion of the reporting boundary to cover all Hong Kong operations, bringing previously excluded activities into scope.

In addition, the Group enhanced its Scope 3 greenhouse gas emissions disclosure during the year by incorporating Category 6: Business Travel and Category 7: Employee Commuting.

A breakdown of the Group's Greenhouse Gas (GHG) Emissions is presented in the table below:

#### GHG emissions (tonnes of CO<sub>2</sub>e)

Scope 1 GHG emissions	404.71
Scope 2 GHG emissions	1,916.65
Scope 3 GHG emissions	212.13

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<b>Total GHG emission</b>	<b>2,533.49</b>
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The Group is dedicated to reducing its carbon footprint across all areas of operation, management, and maintenance. We will continue to review and refine our environmental targets to ensure alignment with ongoing business development and strategic objectives. Further information on our environmental initiatives can be found in the sections below.

### Resource Management & Pollution Reduction

#### Sustainable Use of Resources and Waste Management

The Group's Environmental Policy emphasises sustainable management of both hazardous and non-hazardous waste, with a strong focus on minimisation, recycling, and reuse to reduce environmental impact. Within the building construction materials sector, relevant waste management practices are implemented under the ISO 14001 environmental management system. In the reporting year, hazardous waste generated totalled 1.44 tonnes, and non-hazardous waste amounted to 20,142 tonnes, representing a waste intensity of 8.19 tonnes per million HKD revenue.

Recyclable materials are reused internally wherever possible, and non-recyclable waste is handled through licensed contractors or approved waste management systems. The Group remains dedicated to continuous improvement in environmental performance, full regulatory compliance, and the adoption of green manufacturing principles to minimise the ecological footprint of its operations.

Our finished products do not have any packaging materials hence the total packaging material used is not applicable to our Group.

#### Effluent and Water Management

Water is a vital resource for our operations, communities, and environment. The Group is dedicated to developing and managing buildings that maximise water efficiency and conservation. Also, the Group is committed to responsible water management practices, ensuring that water resources are used sustainably across all business activities.

Total water consumption in the reporting year was 135,544 m<sup>3</sup>, representing a water consumption intensity of 55.1 m<sup>3</sup> per million HKD revenue. We remain committed to ongoing monitoring and continuous improvement to further optimise resource utilisation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL RESPONSIBILITY & PERFORMANCE *(continued)*

### Resource Management & Pollution Reduction *(continued)*

#### Effluent and Water Management *(continued)*

The Group has established comprehensive policies and guidelines to ensure that wastewater generated from our offices, properties, and sites fully complies with all applicable regulatory and licensing requirements. Regular monitoring of wastewater discharge processes is conducted to prevent contamination and to uphold high environmental protection standards.

#### Air Quality Management

The Group is committed to conducting its business in accordance with the principles of sustainable growth, with a strong focus on minimising its GHG emissions. Efforts to monitor, stabilise, and reduce carbon emissions are central to enhancing operational efficiency and environmental performance. Carbon emissions are tracked monthly, enabling the timely implementation of corrective measures to ensure compliance with regulatory requirements and to maintain the Group's annual emissions at the lowest feasible level.

Additional emissions data for the reporting year are as follows:

- Nitrogen Oxide (NOx): total 789.33 kgs
- Sulphur Oxide (SOx): total 2.46 kgs
- Particulate Matter (PM): total 62.62 kgs

## PEOPLE WELLBEING & ENGAGEMENT

### People & Culture

#### Labour Standards

The Group is firmly committed to upholding labour standards and protecting the human rights of all employees across its operations. We actively promote human right in workplace and require the same standards from our subcontractors and suppliers. Discrimination of any kind is strictly prohibited, and we maintain a zero-tolerance policy towards child labour, forced labour, and any form of coercive employment practices. Full compliance with local employment laws and regulations – including the Employment Ordinance in Hong Kong, Labour Law and Labour Contract Law.

During the financial year, the Group recorded no incidents of non-compliance related to child or forced labour. Preventive measures have been implemented, including thorough candidate screening during recruitment and the availability of a secure and confidential opinion box accessible only to authorised colleagues. In addition, communication channels such as staff appraisals, department meetings, company intranet, regular seminars and training sessions support open dialogue and help reinforce awareness of ethical labour practices throughout the organisation.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### People & Culture *(continued)*

#### Employment and Labour Practices

We are dedicated to promoting the well-being of our employees by ensuring a safe, healthy, and supportive workplace environment. We recognise that our people are crucial to the Company's continued growth and success, and we place great importance on maintaining harmonious labour relations. The Group strictly complies with all applicable labour laws and regulations governing areas such as recruitment and promotion, compensation and termination, working hours, rest periods, equal opportunity, diversity, and the prevention of discrimination.

As of 31st December, 2025, the Group employed a total of 1,511 staff members across its Hong Kong and Chinese Mainland operations (2024: 1,483). Reflecting the operational characteristics of our business, male employees continued to represent the majority of the workforce, accounting for 83% of total headcount, a slight increase of 1% compared with 2024. During the reporting year, the overall employee turnover rate stood at 13% (2024: 14%), marking an improvement over the previous year.

The Group is committed to fostering a diverse and inclusive workplace that upholds equality and is free from any form of discrimination. We actively promote equal opportunities for all employees and remain focused on enhancing workforce diversity, particularly by increasing female representation in leadership positions and other roles that have historically been male dominated.

### HUMAN CAPITAL PROFILE

The Group		Number of Employees <b>1,511</b>				
By Business Segment		Metal Products <b>1,036</b>		Building Construction Materials <b>441</b>		Medical Imaging Services <b>34</b>
By Employment Type		Permanent <b>1,013</b>		Temporary <b>498</b>		
By Gender		Male <b>1,253</b>		Female <b>258</b>		
By Employee Category		Managerial <b>111</b>		Supervisory <b>78</b>		General <b>1,322</b>
By Age Group		Below 30 <b>120</b>		30-50 <b>972</b>		Over 50 <b>419</b>
By Region		Hong Kong <b>356</b>		Chinese Mainland <b>1,154</b>		Others <b>1</b>









# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### People & Culture *(continued)*

#### Employment and Labour Practices *(continued)*

#### EMPLOYMENT TURNOVER RATE

The Group		Number of Employees	<b>198 (13%)</b>
By Gender		Male	<b>172 (14%)</b>
		Female	<b>26 (10%)</b>
By Age Group		Below 30	<b>40 (33%)</b>
		30-50	<b>111 (11%)</b>
		Over 50	<b>47 (11%)</b>
By Region		Hong Kong	<b>72 (21%)</b>
		Chinese Mainland	<b>126 (11%)</b>

#### Occupational Health and Safety

Human capital is the cornerstone of sustainable growth and long-term success. Given the nature of our operations, employee health and workplace safety are considered as material issues. We strive to maintain a high standard of occupational health and safety performance by fostering a strong safety culture and ensuring that all employees work in safe and healthy environments. We comply with the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and are committed to upholding the highest standards of workplace health and safety. We ensure that these commitments are effectively communicated and embedded across all levels of the organisation to promote a strong culture of safety awareness among employees.

No work-related fatalities were recorded during the reporting period. The Group reported a total of 1,527 lost workdays due to occupational injuries (2024: 1,930 days), representing a decrease compared with the previous year.

#### LOST DAYS DUE TO WORK INJURY



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### People & Culture *(continued)*

#### Workplace Experience and Development

We empower the professional growth and career advancement of our employees. We promote continuous learning through various training programmes designed to strengthen both job-specific competencies and workplace skills. These programmes include educational seminars, workshops, and courses covering diverse professional topics. In addition, the Group provides induction training for new hires and ongoing internal development opportunities for employees at all levels, equipping them to adapt effectively to an evolving business environment through lifelong learning.



**96%**

Percentage of Employees Trained



**43.53 hours**

Average Training Hours per Employee



**62,894 hours**

Total Training Hours Completed by Our Employees

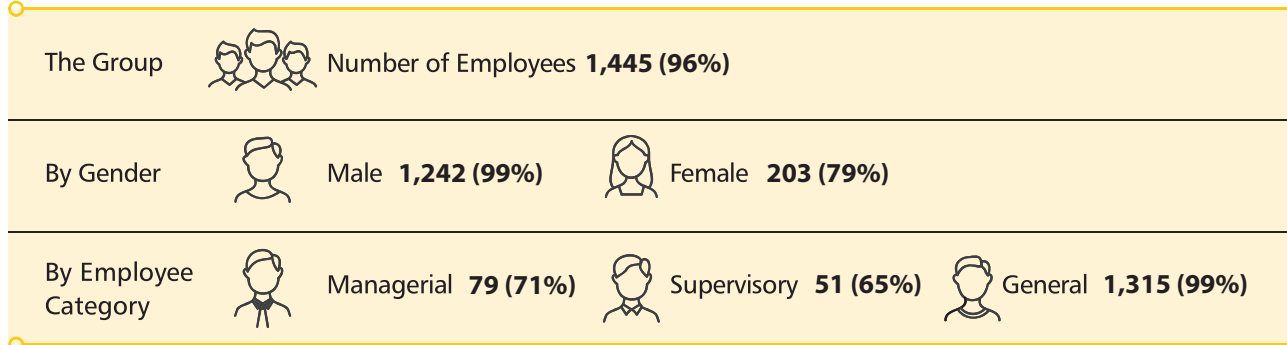
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

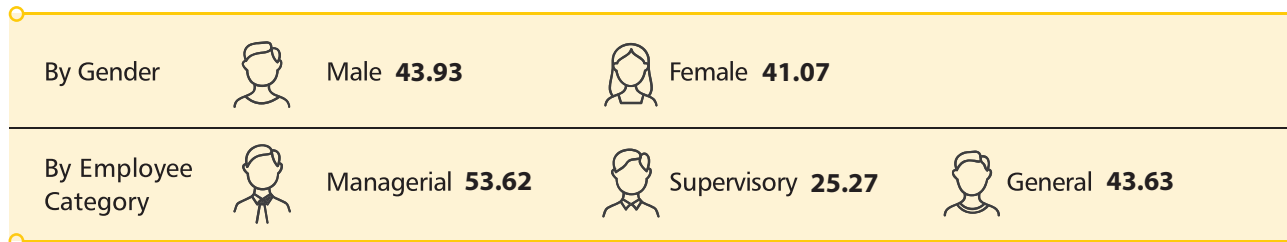
### People & Culture *(continued)*

#### Workplace Experience and Development *(continued)*

### DEVELOPMENT AND TRAINING



### AVERAGE TRAINING HOURS COMPLETED



## Community Impact

### Commitment to Community

Our Golik Volunteer Team continued to uphold its strong commitment to community service in Hong Kong. Throughout the year, we took part in various community-focused programmes organised by the Construction Industry Council (CIC), promoting positivity and social engagement through meaningful participation. Most of these initiatives were executed effectively, reflecting the team’s dedication and professionalism. With an expanding pool of volunteers, the Group continues to identify new opportunities for community involvement, reinforcing its dedication to building closer connections with society and supporting those in need.



HKIE Grand Annual Dinner 2025

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### Community Impact *(continued)*

#### Volunteer and Community Service

The Group is committed to contributing to the community and recognises the importance of our employees' involvement in social initiatives. During the year, we took part in the International White Cane Day Cane-A-Thon charity walk organised by the Hong Kong Blind Union. Through this participation, we sought to support visually impaired individuals in integrating into the wider community and to enhance public awareness of their capabilities and specific needs.



This year, we participated in Construction Industry Volunteer Award Scheme 2025 and achieved the Special Commendation for First-Time Participating Organisations and Excellence in Construction Industry Volunteering Individuals (Gold Award).



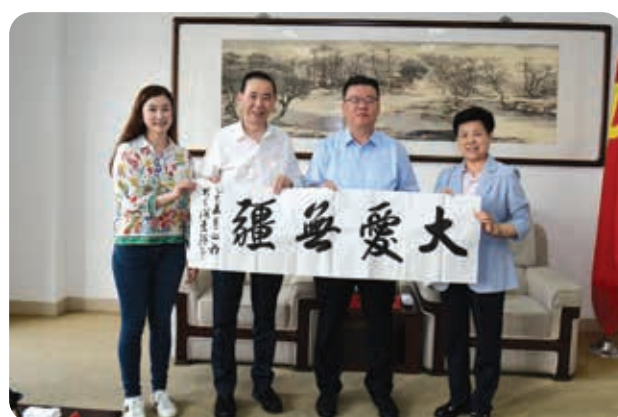
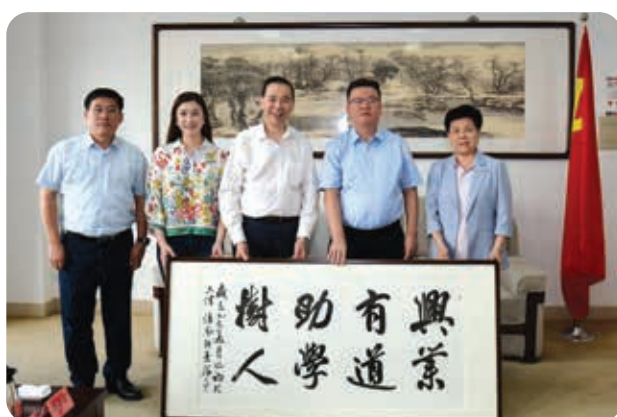
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### Community Impact *(continued)*

#### Education and Youth Development

We are devoted to supporting the education and well-being of underprivileged secondary school students in Tianjin, Chinese Mainland through donation. Building on this long-term initiative, an agreement has been signed to extend the programme for an additional five years, reaffirming our dedication to empowering young learners with the resources they need to thrive. Through continuous support, the Company seeks to create meaningful and lasting change by enhancing educational opportunities and enabling students to realise their full potential.



In July 2025, Golik Holdings sponsored the “New Era Hong Kong-Tianjin Youth Exchange Program 2025,” a student exchange initiative between Hong Kong and Tianjin. The programme involved Hong Kong and Kowloon Kaifong Women’s Association Sun Fong Chung College in Hong Kong and Tianjin Jinghai No. 1 High School in Tianjin. Hong Kong secondary school students visited Tianjin for a two-week programme, during which they participated in activities and exchanges with local students to learn about local culture and broaden their horizons. Tianjin students also took part in a two-week exchange programme in Hong Kong to enhance their international perspective through cultural exchange and learning activities. Golik Holdings values the importance of student exchange programmes and will continue to devote more efforts and resources to supporting such initiatives, not only to assist underprivileged students, but also to encourage exchange and mutual learning between Hong Kong students and students from Chinese Mainland. We believe students are the future foundation of our community and society, and we will remain committed to nurturing their growth through meaningful educational and cultural exchange programmes.



Student from Hong Kong and Kowloon Kaifong Women’s Association Sun Fong Chung College travelled to Tianjin for exchange programme



Students from Hong Kong and Kowloon Kaifong Women’s Association Sun Fong Chung College and Tianjin Jinghai No.1 High School attended the launch ceremony

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### Community Impact *(continued)*

### Education and Youth Development *(continued)*



Students from two schools engaged in exchange activity in Tianjin



Students from Tianjin Jinghai No.1 High School visited the University of Hong Kong



Students from Tianjin Jinghai No.1 High School attended a lecture organised by the University of Hong Kong



The New Era 2025 Hong Kong Youth Tianjin Exchange Programme Successfully Concluded

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### Community Impact *(continued)*

#### Education and Youth Development *(continued)*

The Group remains committed to supporting sports development and promoting community engagement through physical activity. During the year, the Group served as the naming rights sponsor of North District Football Club, a team competing in the Hong Kong Premier League for the 2025–26 season. The Group has been sponsoring the club for many years, reflecting our ongoing efforts to nurture local football talent, provide young players with competitive opportunities, and strengthen community cohesion through sport; we aim to make this involvement sustainable by building long term partnerships with the club and local organisations, supporting grassroots football programmes, and encouraging broader participation across different age groups and communities in Hong Kong. In addition, we provided sponsorship to the Ping Shan Heung Rural Committee for its participation in the Celebrating the 76th National Day and the Centenary of the Heung Yee Kuk New Territories: 7-a-Side Football Invitation Tournament.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## PEOPLE WELLBEING & ENGAGEMENT *(continued)*

### Community Impact *(continued)*

#### Education and Youth Development *(continued)*

This extended partnership ensures that beneficiaries continue to receive the guidance, resources, and opportunities essential for academic and personal development. Beyond immediate assistance, the programme also facilitates access to higher education, helping students gain admission to leading universities and pursue a brighter future. By supporting the next generation, the Company reinforces its commitment to advancing educational equity and contributing to sustainable social progress, in line with broader corporate social responsibility goals that promote long-term community development and societal well-being.

## GOVERNANCE & OPERATION MANAGEMENT

### Supply Chain Management

The Group remains dedicated to maintaining high standards of integrity, honesty, and transparency in all business operations. We continue to manage and strengthen our supply chain responsibly, placing emphasis on selecting suppliers that prioritise environmental protection and ethical conduct. We strive to build long-term strategic partnerships with suppliers that consistently deliver quality products and services.

For each business segment, a comprehensive checklist is used to assess supplier suitability, covering factors such as pricing, service quality, technical capability, delivery timeline, material quality, and geographic location. In addition, the Group conducts annual evaluations of key suppliers and sub-contractors, focusing on quality management, environmental performance, and occupational safety. Approval of suppliers and sub-contractors involved in core processes is handled by senior management, and their performance is regularly monitored with feedback collected from employees.

The Group also recognises the importance of addressing environmental and social issues throughout the supply chain. To ensure product and service quality, internal audits and outsourced testing are performed periodically, minimising the risk of substandard materials being used in construction works. The “Just-in-time” management approach is applied across the supply chain to support timely delivery and avoid delays in customers’ construction progress. The Group continues to foster strong, mutually beneficial relationships with customers by delivering sector-leading products and ensuring that services meet local needs and expectations.

### SUPPLIERS BY GEOGRAPHICAL REGION



<sup>1</sup> Other supplier locations including Turkey, United States, Korea, United Kingdom, Switzerland, Holland and Taiwan.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GOVERNANCE & OPERATION MANAGEMENT *(continued)*

### **Product Responsibility**

The Group ensures full compliance with local laws, international guidelines, and industry standards governing product design, production, promotion, and marketing practices. A strong emphasis is placed on maintaining material and product quality, supported by innovative production processes that enhance safety performance and minimise environmental impact. The Group adheres to the ISO 9001 Quality Management System in key operations and has obtained ISO 9001:2015 certification for products within our Building Construction Materials segment, reflecting its commitment to quality assurance and continuous improvement. We also comply with the Quality Plan for the Production and Supply of Concrete, which is tailored to the concrete manufacturing sector. This framework is designed to ensure the consistent quality of both the production and delivery of ready-mixed concrete.

Golik is dedicated to developing low carbon construction materials to support the construction industry in its transition toward decarbonisation. Since 2021, our ready mixed concrete products have been accredited under the CIC Green Product Certification Scheme, achieving “Platinum” or “Gold” ratings across various strength grades. By adopting our certified products, clients can use the CIC Carbon Assessment Tool to quantify the carbon performance of building materials, helping them meet their carbon reduction goals in green building projects.

Building on this commitment, Golik participated in and won the championship of the Low Carbon Concrete Trophy Competition 2022, organised by the Standing Committee on Concrete Technology (SCCT) under the Civil Engineering and Development Department (CEDD) – further affirming our efforts and achievements in low carbon construction material development.

In addition, the Group strictly follows labelling requirements to ensure transparent and verifiable product information. For instance, our steel products bear the GOLIK bar pattern and company tags for traceability and authenticity. During the financial year, none of the business units recorded any product recalls related to health or safety concerns.

Regarding intellectual property protection, the Group registered three domain names in Hong Kong and four in Chinese Mainland, while no material legal proceedings or claims of infringement were recorded during the financial year. All necessary preventive measures are in place to safeguard the Group’s intellectual property rights.

### **Information Security**

In terms of information management, the Group complies with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and upholds strict confidentiality regarding all stakeholder information. The employee handbook outlines clear confidentiality obligations, ensuring employees properly safeguard company trade secrets and sensitive information. The Group collects and uses customer data responsibly and only for purposes stated in client contracts. During the financial period, no incidents of non-compliance relating to personal data protection or privacy infringement were identified.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GOVERNANCE & OPERATION MANAGEMENT *(continued)*

### Anti-corruption

The Group upholds the principle of conducting all business activities in a lawful, ethical, and professional manner, maintaining a strong commitment to preventing corruption and bribery across every aspect of our operations. We adopt a zero-tolerance stance toward any form of unethical conduct, including bribery, extortion, fraud, and money laundering. All directors and employees are strictly prohibited from soliciting, accepting, or offering bribes and are required to comply fully with the Prevention of Bribery Ordinance of Hong Kong.

To strengthen integrity and compliance, the Group provides regular training on anti-corruption practices and internal controls to enhance employees' awareness and understanding. A whistle-blowing policy has also been established, empowering employees to confidentially report any suspected misconduct or malpractice. The Audit Committee oversees this mechanism and is authorized to conduct independent investigations into reported incidents to ensure appropriate follow-up actions are taken. During the financial year, the Group recorded no legal cases related to corrupt practices.

## ENVIRONMENTAL PERFORMANCE DATA SUMMARY 2025

Item	HKEX Indicator	Year 2025	Year 2024	Year 2023
<b>Air emissions<sup>2</sup></b>				
Nitrogen oxides (NOx) emission (kgs)	A1.1	789.33	111.80	105.15
Sulphur oxides (SOx) emission (kgs)	A1.1	2.46	0.88	0.57
Particulate matter (PM) emission (kgs)	A1.1	62.62	10.48	9.83
<b>Carbon emissions<sup>3</sup></b>				
Scope 1 carbon emissions (tonnes of CO <sub>2</sub> e)	IV Metrics and Targets 28(a)	404.71	147.84	112.44
Scope 2 carbon emissions (tonnes of CO <sub>2</sub> e)	IV Metrics and Targets 28(b)	1,916.65	561.01	511.65
Total direct and indirect carbon emissions (Scope 1 & 2) (tonnes of CO <sub>2</sub> e)	IV Metrics and Targets 28	2,321.36	708.85	624.09
Total direct and indirect carbon emissions (Scope 1 & 2) per production volume (tonnes of CO <sub>2</sub> e)	IV Metrics and Targets 28	N/A	0.0017	0.0014
Total direct and indirect carbon emissions (Scope 1 & 2) per revenue (HKD million) <sup>4</sup>	IV Metrics and Targets 28	0.94	N/A	N/A

<sup>2</sup> Air emission data for Year 2023 and Year 2024 were restated due to the adoption of updated calculation methodologies and the incorporation of newly available activity data, which provided a more accurate reflection of the Group's air emissions. In Year 2025, air emission data showed a significant increase, primarily attributable to the expansion of the reporting boundary and increased business activity during the year.

<sup>3</sup> Carbon emission data for Year 2023 and Year 2024 were restated due to the adoption of updated calculation methodologies and the incorporation of newly available activity data, which provided a more accurate reflection of the Group's GHG emissions. In Year 2025, carbon emission data showed a significant increase, primarily attributable to the expansion of the reporting boundary and increased business activity during the year.

<sup>4</sup> Carbon intensities were calculated based on production volume in 2023 and 2024. From 2025 onward, as the reporting scope expands to cover all Hong Kong operations (including non-production sites), revenue will be used as the carbon intensity denominator to ensure a consistent and meaningful representation of performance. Therefore, intensity data calculated based on production volume will not be applicable to Year 2025 and will be marked as 'N/A'. Similarly, intensity data calculated based on revenue will not be applicable to Year 2024 and Year 2023, and will also be marked as 'N/A'.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ENVIRONMENTAL PERFORMANCE DATA SUMMARY 2025 *(continued)*

Item	HKEX			
	Indicator	Year 2025	Year 2024	Year 2023
<b>Carbon emissions<sup>3</sup> <i>(continued)</i></b>				
Total indirect greenhouse gases emissions (Scope 3) (tonnes of CO <sub>2</sub> e)	IV Metrics and Targets 28(c)	212.13	N/A	N/A
Category 6: Business travel (tonnes of CO <sub>2</sub> e)	IV Metrics and Targets 28(c)	7.16	N/A	N/A
Category 7: Employee commuting (tonnes of CO <sub>2</sub> e)	IV Metrics and Targets 28(c)	204.97	N/A	N/A
<b>Hazardous waste</b>				
Chemical waste produced (tonnes)	A1.3	1.44	0.80	0.80
Total hazardous waste produced per production volume (tonnes)	A1.3	N/A	0.0019	0.0019
Total hazardous waste produced per revenue (HKD million) <sup>4</sup>	A1.3	0.0006	N/A	N/A
<b>Non-hazardous waste</b>				
Solid waste produced (tonnes)	A1.4	20,142	11,915	11,811
Total non-hazardous waste produced per production volume (tonnes)	A1.4	N/A	0.0280	0.0280
Total non-hazardous waste produced per revenue (HKD million) <sup>4</sup>	A1.4	8.19	N/A	N/A
<b>Resources consumption</b>				
Electricity consumption (kWh)	A2.1	5,028,872	1,254,073	1,311,929
Electricity consumption per production volume (kWh)	A2.1	N/A	3.14	3.07
Electricity consumption per revenue (HKD million) <sup>4</sup>	A2.1	2,044	N/A	N/A
Water consumption (m <sup>3</sup> )	A2.2	135,544	89,263	92,764
Water consumption per production volume (m <sup>3</sup> )	A2.2	N/A	0.21	0.22
Water consumption per revenue (HKD million) <sup>4</sup>	A2.2	55.10	N/A	N/A

<sup>3</sup> Carbon emission data for Year 2023 and Year 2024 were restated due to the adoption of updated calculation methodologies and the incorporation of newly available activity data, which provided a more accurate reflection of the Group's GHG emissions. In Year 2025, carbon emission data showed a significant increase, primarily attributable to the expansion of the reporting boundary and increased business activity during the year.

<sup>4</sup> Carbon intensities were calculated based on production volume in 2023 and 2024. From 2025 onward, as the reporting scope expands to cover all Hong Kong operations (including non-production sites), revenue will be used as the carbon intensity denominator to ensure a consistent and meaningful representation of performance. Therefore, intensity data calculated based on production volume will not be applicable to Year 2025 and will be marked as 'N/A'. Similarly, intensity data calculated based on revenue will not be applicable to Year 2024 and Year 2023, and will also be marked as 'N/A'.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX

### HKEX ESG Reporting Code Content Index

"Comply or explain" Provisions		
KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
<b>A. Environmental</b>		
<b>Aspect A1 Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Air Quality Management (page 36)
KPI A1.1	The types of emissions and respective emissions data.	Air Quality Management (page 36)
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Sustainable Use of Resources and Waste Management (page 35)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Air Quality Management (page 36)
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Sustainable Use of Resources and Waste Management (page 35)
<b>Aspects A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainable Use of Resources and Waste Management (page 35)  Effluent and Water Management (Page 35 and 36)  Environmental Performance Data Summary 2025 (page 47 and 48)
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data Summary 2025 (page 47 and 48)
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Effluent and Water Management (page 35 and 36)  Environmental Performance Data Summary 2025 (page 47 and 48)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Metrics and Targets (page 35)
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Effluent and Water Management (page 35 and 36)
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Sustainable Use of Resources and Waste Management (page 35)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

"Comply or explain" Provisions		
KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
<b>A. Environmental</b> <i>(continued)</i>		
<b>Aspect A3 The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Sustainable Use of Resources and Waste Management (page 35)
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
<b>B. SOCIAL</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices (page 37 and 38)
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety (page 38)
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
<b>Aspect B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Workplace Experience and Development (page 39 and 40)
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

"Comply or explain" Provisions		
KPIs	HKEX ESG Reporting Code Requirements	Section and Remarks
<b>B. SOCIAL</b> <i>(continued)</i>		
<b>Employment and Labour Practices</b> <i>(continued)</i>		
<b>Aspect B4 Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards (page 36)
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
<b>Operating Practices</b>		
<b>Aspect B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management (page 45)
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
<b>Aspect B6 Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility (page 46)
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

<b>“Comply or explain” Provisions</b>		
<b>KPIs</b>	<b>HKEX ESG Reporting Code Requirements</b>	<b>Section and Remarks</b>
<b>B. SOCIAL</b> <i>(continued)</i>		
<b>Operating Practices</b> <i>(continued)</i>		
<b>Aspect B7 Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption (page 47)
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
<b>Community</b>		
<b>Aspect B8 Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Commitment to Community (page 40)
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Volunteer and Community Service (page 41)
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Education and Youth Development (page 42 to 45)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures	Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>	
<b>(I) Governance</b>	
<p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p style="margin-left: 20px;">(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p style="margin-left: 20px;">(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p style="margin-left: 20px;">(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer’s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p style="margin-left: 20px;">(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</p> <p>(b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p style="margin-left: 20px;">(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p style="margin-left: 20px;">(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	<p>Sustainability Governance Structure (page 26)</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures	Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>	
<b>(II) Strategy</b>	
<b><i>Climate-related risks and opportunities</i></b>	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate-related risks and opportunities (page 28 to 31)
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
<b><i>Business model and value chain</i></b>	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Financial position, financial performance and cash flows (page 32)
(b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Business model and value chain (page 31)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures		Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>		
<b>(II) Strategy <i>(continued)</i></b>		
<b>Strategy and decision-making</b>		
22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	The Group has not yet developed a climate-related transition plan or set quantitative climate-related targets.
(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
(iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	
<b>Financial position, financial performance and cash flows</b>		
<b>Current financial effect</b>		
24.	An issuer shall disclose qualitative and quantitative information about:	
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Financial position, financial performance and cash flows (page 32)
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
<b>Anticipated financial effect</b>		
25.	The issuer shall provide qualitative and quantitative disclosures about:	
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
(i)	its investment and disposal plans; and	Financial position, financial performance and cash flows (page 32)
(ii)	its planned sources of funding to implement its strategy; and	
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures	Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>	
<b>(II) Strategy <i>(continued)</i></b>	
<b><i>Financial position, financial performance and cash flows (continued)</i></b>	
<b>Climate resilience</b>	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	The Group has not yet conducted scenario analysis during the reporting period. The Group is planning to conduct such analysis in the future.
(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	The Group has not yet conducted scenario analysis during the reporting period. The Group is planning to conduct such analysis in the future.
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
(2) whether the analysis included a diverse range of climate-related scenarios;	
(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
(6) time horizons the issuer used in the analysis; and	
(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
(ii) the key assumptions the issuer made in the analysis; and	
(iii) the reporting period in which the climate-related scenario analysis was carried out.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures		Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>		
<b>(III) Risk Management</b>		
27.	An issuer shall disclose information about:	
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Risk Management (Page 33 and 34)
(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
(iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	
(v)	how the issuer monitors climate-related risks; and	
(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Risk Management (Page 33 and 34)
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
<b>(IV) Metrics and Targets</b>		
<b>Greenhouse gas emissions</b>		
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	
(a)	Scope 1 greenhouse gas emissions;	Metrics and Targets (page 35)
(b)	Scope 2 greenhouse gas emissions; and	
(c)	Scope 3 greenhouse gas emissions.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures	Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>	
<b>(IV) Metrics and Targets <i>(continued)</i></b>	
<b>Greenhouse gas emissions <i>(continued)</i></b>	
29. An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Our GHG emissions calculation are according to Greenhouse Gas Protocol.
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Metrics and Targets (page 35)
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
<b>Climate-related transition risks</b>	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Other Cross-Industry Metrics (page 32)
<b>Climate-related physical risks</b>	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Other Cross-Industry Metrics (page 32)
<b>Climate-related opportunities</b>	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Other Cross-Industry Metrics (page 32)
<b>Capital deployment</b>	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Capital Deployment (page 32)
<b>Internal carbon prices</b>	
34. An issuer shall disclose:	
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	The Group has not yet applied internal carbon pricing.
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures	Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>	
<b>(IV) Metrics and Targets <i>(continued)</i></b>	
<b>Remuneration</b>	
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not yet linked the remuneration policy with climate-related issues. We will explore the potential to adopt in the future.
<b>Industry-based metrics</b>	
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group has not yet disclosed the industry-based metrics. We will explore the potential to set the metrics in the future.
<b>Climate-related targets</b>	
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) the metric used to set the target;	The Group will explore the potential for setting qualitative and quantitative climate-related targets in the future.
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) the period over which the target applies;	
(e) the base period from which progress is measured;	
(f) milestones or interim targets (if any);	
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	The Group will explore the potential for setting qualitative and quantitative climate-related targets in the future.
(b) the issuer's processes for reviewing the target;	
(c) the metrics used to monitor progress towards reaching the target; and	
(d) any revisions to the target and an explanation for those revisions.	
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	The Group will explore the potential for setting qualitative and quantitative climate-related targets in the future.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## CONTENT INDEX *(continued)*

### HKEX ESG Reporting Code Content Index *(continued)*

Climate-related Disclosures	Section and Remarks
<b>HKEX ESG Reporting Code Requirements</b>	
<b>(IV) Metrics and Targets <i>(continued)</i></b>	
<b><i>Climate-related targets (continued)</i></b>	
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	The Group will explore the potential for setting qualitative and quantitative climate-related targets in the future.
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach; and	
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	The Group will explore the potential for setting qualitative and quantitative climate-related targets in the future.
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
<b><i>Applicability of cross-industry metrics and industry-based metrics</i></b>	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The Group will consider applying cross-industry metrics and industry-based metrics in the future.

# DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31st December, 2025.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries, a joint venture and an associate are set out in notes 42, 19 and 20 respectively to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 72.

An interim dividend of HK2.5 cents per share, amounting to approximately HK\$14,360,000 was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK4.0 cents per share to the shareholders whose names appear on the register of members of the Company on 24th June, 2026, total amounting to approximately HK\$22,975,000, subject to the approval of the shareholders at the forthcoming annual general meeting.

## PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$21,635,000 (2024: approximately HK\$126,149,000). In addition, property, plant and equipment with carrying values of approximately HK\$1,959,000 (2024: approximately HK\$9,351,000) were disposed and written-off of during the year. Details of movements during the year in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

As at 31st December, 2025, capital commitments contracted in respect of acquisition for property, plant and equipment for the Group amounted to approximately HK\$8,255,000 (31st December, 2024: approximately HK\$2,263,000), funding for the capital commitments will be generated mainly from internal resources. Detail of the capital commitments is set out in note 35 to the consolidated financial statements.

## SHARE CAPITAL AND SHARE OPTIONS

Details of the authorised and issued share capital and share option scheme of the Company are set out in notes 32 and 33 respectively to the consolidated financial statements.

## DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31st December, 2025 were as follows:

	<b>31.12.2025</b> <b>HK\$'000</b>	31.12.2024 HK\$'000
Contributed surplus	<b>65,891</b>	65,891
Retained profits	<b>438,490</b>	379,669
	<b>504,381</b>	445,560

# DIRECTORS' REPORT

## **DISTRIBUTABLE RESERVES OF THE COMPANY** *(continued)*

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of a company is available for distribution. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

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

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

## **DIRECTORS**

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

### **Executive Directors**

Mr. Pang Tak Chung <sup>MH</sup> (*Chairman*)

Mr. Ho Wai Yu, Sammy (*Vice Chairman*)

Ms. Pang Wan Ping (*Chief Executive Officer*)

Mr. Pang Chi To

Mr. John Graham Churchfield

(appointment effective 1st October, 2025 and resignation effective 14th November, 2025)

### **Independent Non-executive Directors**

Mr. Hai Tuen Tai, Freddie

Mr. Luk Kam Fan, Jimmy

Mr. Linn Hon Chung, Ambrose (*Lead Independent Non-executive Director*)

(designation effective 8th January, 2026)

In accordance with Bye-laws 87(1) and (2) of the Company's Bye-laws, Messrs. Pang Tak Chung <sup>MH</sup>, Pang Wan Ping and Hai Tuen Tai, Freddie shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

For the year ended 31st December, 2025, the Company's non-executive directors were appointed for a specific term. All directors (including independent non-executive directors) are also subject to retirement by rotation in accordance with the Company's Bye-laws.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

# DIRECTORS' REPORT

## DIRECTORS' INTERESTS IN SECURITIES

As at 31st December, 2025, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

### (1) Long position

#### *Shares of the Company*

Name of directors	Number of ordinary shares			Percentage of issued shares
	Personal interest (held as beneficial owner)	Corporate interests (held by controlled corporation)	Total	
Mr. Pang Tak Chung MH (Note)	163,928,082	201,666,392	365,594,474	63.65%
Mr. Ho Wai Yu, Sammy	2,000	–	2,000	0.00%

Note: The 201,666,392 shares are held by Golik Investments Ltd. which is wholly owned by Mr. Pang Tak Chung MH.

#### *Share options*

No share option was outstanding as at 1st January, 2025 and 31st December, 2025. As at the date of this annual report, the total number of share options available for issue under the share option scheme was 57,437,812, representing 10% of the issued share capital of the Company. Particulars of the share option scheme of the Company are set out in note 33 to the consolidated financial statements.

### (2) Shares in subsidiaries

As at 31st December, 2025, Mr. Pang Tak Chung MH had 5,850 non-voting deferred shares in Golik Metal Industrial Company Limited.

Save as disclosed above, as at 31st December, 2025, none of the directors and chief executive of the Company or their respective associates had or was deemed to have any interests or short positions in any securities of the Company or any of its associated corporations and at no time during the year, had any interest in, or had been granted, or exercised, any right to subscribe for shares (or warrants or debentures, if applicable) of the Company or any of its associated corporations.

# DIRECTORS' REPORT

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' Interests in Securities" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Company's directors and their respective associates has any competing interests which require to be disclosed pursuant to Rule 8.10 of the Listing Rules during the year.

## SUBSTANTIAL SHAREHOLDER

As at 31st December, 2025, so far as known to any directors of the Company, the following person (other than a director or chief executive of the Company), was recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company, as being, directly or indirectly, interested or deemed to be interested in 5% or more of the issued share capital of the Company:

### Long position in shares of the Company

Name	Number of ordinary shares held	Percentage of issued shares
Golik Investments Ltd.	201,666,392	35.11%

Save as disclosed above, the directors are not aware of any other person (other than a director or chief executive of the Company) who, as at 31st December, 2025, had any interests or short positions in the shares or underlying shares of the Company of 5% or more which would fall to be disclosed pursuant to Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

## MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's five largest customers accounted for less than 30% of the Group's total revenue for the year.

The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 36% of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 12% of the Group's total purchases for the year.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) have any interest in any of the Group's five largest customers or suppliers.

# DIRECTORS' REPORT

## APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

## EMOLUMENT POLICY

The emolument policy of the directors of the Company is decided by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 33 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, the Board confirms that the Company has maintained during the year a sufficient public float as required under the Listing Rules.

## CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to approximately HK\$546,000.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Details of Environmental, Social and Governance Report of the Group are set out on pages 25 to 60 of this annual report.

## CONNECTED TRANSACTIONS

Transactions with an associate are disclosed as related party transactions in note 37 to the consolidated financial statements of the annual report, which do not fall under the definition of connected transaction, or were fully exempt under Chapter 14A of the Listing Rules and thus are not disclosed here.

## AUDITOR

The consolidated financial statements of the Company have been audited by Deloitte Touche Tohmatsu ("Deloitte"). A resolution will be proposed to the forthcoming annual general meeting to re-appoint Deloitte as auditor of the Company.

On behalf of the Board

**Pang Tak Chung** MH  
Chairman

Hong Kong, 27th March, 2026

# INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

德勤

## TO THE MEMBERS OF GOLIK HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

### OPINION

We have audited the consolidated financial statements of Golik Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 72 to 150, which comprise the consolidated statement of financial position as at 31st December, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 the 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.

### KEY AUDIT MATTERS

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

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS *(continued)*

### Key audit matter

#### ***Write-down of inventories of a subsidiary of the Company***

We identified the write-down of inventories of steel products of Golik Steel (HK) Limited ("GSHK"), a subsidiary of the Company, as a key audit matter due to the significance of the inventory balances to the consolidated financial statements as at 31st December, 2025.

As at 31st December, 2025, the carrying amount of inventories of GSHK was HK\$318,843,000 (net of a write-down of inventories of HK\$3,387,000). The determination of net realisable value is subject to fluctuations in the market prices of steel products. Changes in market conditions may affect the selling price of GSHK's steel products and, consequently, exert pressure on their net realisable values.

### How our audit addressed the key audit matter

Our procedures in relation to the write-down of inventories of GSHK included:

- Obtaining an understanding of how the Group's management estimates the net realisable values of the inventories of steel products;
- Evaluating the reasonableness of the estimated future selling prices, on a sample basis, by comparing them to contracted selling prices or to actual selling prices achieved subsequent to the end of the reporting period; and
- Assessing the appropriateness of the estimated costs necessary to make the sale, by evaluating the historical accuracy of these estimates on a sample basis, discussing any significant variances noted with management, and considering the impact of such variances on the current year's estimates.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS *(continued)*

### Key audit matter

#### ***Provision for onerous concrete supply contracts***

We identified the provision for onerous concrete supply contracts as a key audit matter due to the significance of the provision balance to the consolidated financial statements as at 31st December, 2025, and because its determination involves management judgement and estimation.

As disclosed in note 27 to the consolidated financial statements, the Group has entered into several long-term concrete supply contracts that are currently loss-making due to competitive pricing pressures in the Hong Kong construction market. A provision of approximately HK\$55,800,000 as at 31st December, 2025 has been recognised for the expected net outflows under these contracts.

The assessment of whether contracts are onerous, and the measurement of the related provision, requires management to exercise judgement in identifying contracts that meet the definition of onerous under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, and in estimating both the expected economic benefits and the directly attributable costs of fulfilling such contracts.

### How our audit addressed the key audit matter

Our procedures in relation to the provision for onerous concrete supply contracts included:

- Obtaining an understanding of the Group's process for identifying onerous contracts and estimating the related provision.
- Testing, on a sample basis, the contract listing by agreeing unit prices and terms to signed agreements.
- Assessing the reasonableness of unit cost estimates by comparing projected material costs to recent purchase contracts, historical production costs, and current market data.
- Testing the calculation of remaining undelivered quantities as at 31st December, 2025 by reconciling the amounts to contract quantities and past delivery records.
- Testing the calculation of the provision by re-performing management's computation, including verifying the accuracy of inputs and checking the mathematical integrity of the model.

# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

Those charged with governance are responsible 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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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.

# INDEPENDENT AUDITOR'S REPORT

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

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

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

We communicate with 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.

# INDEPENDENT AUDITOR'S REPORT

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan, Alan (practicing certificate number: P06748).

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
27th March, 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	5	3,616,089	3,445,784
Cost of sales and services		(2,920,813)	(2,796,715)
Gross profit		695,276	649,069
Other income	7	20,906	23,401
Selling and distribution costs		(179,755)	(168,168)
Administrative expenses		(240,225)	(202,782)
Impairment losses under expected credit losses ("ECL") model, net of reversal	8	4,321	(702)
Impairment loss on property, plant and equipment	17	(15,287)	–
Other losses	9	(2,901)	(9,862)
Other expenses		(52,474)	(50,167)
Finance costs		(21,744)	(34,254)
– Interest on bank borrowings		(13,035)	(25,382)
– Interest on lease liabilities		(8,709)	(8,872)
Share of result of an associate		2,056	1,727
Profit before tax		210,173	208,262
Income tax expense	10	(39,310)	(27,829)
Profit for the year	11	170,863	180,433
<b>Other comprehensive income (expense)</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising on translation of foreign operations		17,493	(13,429)
<b>Item that will not be reclassified subsequently to profit or loss:</b>			
Fair value (loss) gain on equity instrument at fair value through other comprehensive income ("FVTOCI")		(34)	48
Other comprehensive income (expense) for the year		17,459	(13,381)
Total comprehensive income for the year		188,322	167,052
Profit for the year attributable to:			
Owners of the Company		151,235	158,098
Non-controlling interests		19,628	22,335
		170,863	180,433
Total comprehensive income for the year attributable to:			
Owners of the Company		164,557	148,105
Non-controlling interests		23,765	18,947
		188,322	167,052
		<b>HK cents</b>	<b>HK cents</b>
Basic earnings per share	15	26.33	27.53

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
<b>Non-current Assets</b>			
Property, plant and equipment	17	471,807	524,348
Right-of-use assets	18	153,887	160,047
Interest in a joint venture	19	–	–
Interest in an associate	20	–	–
Amount due from an associate	20	3,595	4,198
Equity instrument at FVTOCI	21	27	61
Insurance policy assets	22	7,589	7,409
Rental and other deposits	24	5,385	4,413
Deposits paid for acquisition of property, plant and equipment		9,059	1,168
Loan receivables	24	2,360	2,660
		<b>653,709</b>	704,304
<b>Current Assets</b>			
Inventories	23	509,599	605,812
Trade, bills, loan and other receivables	24	887,138	801,455
Income tax recoverable		83	842
Cash and cash equivalents	25	805,620	599,490
		<b>2,202,440</b>	2,007,599
<b>Current Liabilities</b>			
Trade, bills and other payables	26	469,290	431,138
Provision for onerous contracts	27	55,800	–
Contract liabilities	28	25,913	21,408
Lease liabilities	29	27,392	23,146
Amounts due to non-controlling shareholders	30	3,200	3,200
Income tax payable		8,786	7,879
Bank borrowings	31	416,824	498,724
		<b>1,007,205</b>	985,495
<b>Net Current Assets</b>		<b>1,195,235</b>	1,022,104
		<b>1,848,944</b>	1,726,408

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
<b>Capital and Reserves</b>			
Share capital	32	57,438	57,438
Share premium and reserves		1,451,981	1,324,759
Equity attributable to owners of the Company		1,509,419	1,382,197
Non-controlling interests	42	142,335	130,859
<b>Total Equity</b>		<b>1,651,754</b>	1,513,056
<b>Non-current Liabilities</b>			
Deferred tax liabilities	34	30,973	28,973
Lease liabilities	29	138,200	146,370
Bank borrowings	31	28,017	38,009
		197,190	213,352
		<b>1,848,944</b>	1,726,408

The consolidated financial statements on pages 72 to 150 were approved and authorised for issue by the Board of Directors on 27th March, 2026 and are signed on its behalf by:

**PANG TAK CHUNG MH**  
CHAIRMAN

**HO WAI YU, SAMMY**  
VICE CHAIRMAN

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2025

	Attributable to owners of the Company									
	Share capital	Share premium	Exchange reserve	Chinese Mainland statutory reserve	FVTOCI reserve	Other reserves	Retained profits	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000	HK\$'000 (Note b)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January, 2024	57,438	323,195	(5,059)	46,545	13	(21,186)	867,584	1,268,530	118,597	1,387,127
Profit for the year	-	-	-	-	-	-	158,098	158,098	22,335	180,433
<b>Other comprehensive (expense) income for the year</b>										
Exchange differences arising on translation of foreign operations	-	-	(10,041)	-	-	-	-	(10,041)	(3,388)	(13,429)
Fair value gain on equity instrument at FVTOCI	-	-	-	-	48	-	-	48	-	48
Total comprehensive (expense) income for the year	-	-	(10,041)	-	48	-	158,098	148,105	18,947	167,052
Dividends paid to the owners of the Company (note 14)	-	-	-	-	-	-	(34,463)	(34,463)	-	(34,463)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(9,661)	(9,661)
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	2,976	2,976
Deemed disposal of partial interest in a subsidiary	-	-	-	-	-	25	-	25	-	25
Transfer between reserves	-	-	-	154	-	-	(154)	-	-	-
At 31st December, 2024	57,438	323,195	(15,100)	46,699	61	(21,161)	991,065	1,382,197	130,859	1,513,056
Profit for the year	-	-	-	-	-	-	151,235	151,235	19,628	170,863
<b>Other comprehensive income (expense) for the year</b>										
Exchange differences arising on translation of foreign operations	-	-	13,356	-	-	-	-	13,356	4,137	17,493
Fair value loss on equity instrument at FVTOCI	-	-	-	-	(34)	-	-	(34)	-	(34)
Total comprehensive income (expense) for the year	-	-	13,356	-	(34)	-	151,235	164,557	23,765	188,322
Dividends paid to the owners of the Company (note 14)	-	-	-	-	-	-	(37,335)	(37,335)	-	(37,335)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(12,289)	(12,289)
Transfer between reserves	-	-	-	1,450	-	-	(1,450)	-	-	-
At 31st December, 2025	57,438	323,195	(1,744)	48,149	27	(21,161)	1,103,515	1,509,419	142,335	1,651,754

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2025

Notes:

- (a) Chinese Mainland statutory reserve represents a reserve required under the relevant laws and regulations in Chinese Mainland, applicable to the subsidiaries established in there, for enterprise development purposes.
- (b) Other reserves comprise:
  - (i) HK\$21,208,000 arising from the acquisitions of additional interests in subsidiaries in prior years, representing the excess of considerations paid over the carrying amounts of the interests acquired;
  - (ii) HK\$574,000 arising from deemed disposals of partial interests in subsidiaries in prior years, representing the shortfall of considerations received and the carrying amounts of the interests disposed of; and
  - (iii) HK\$621,000 resulting from the waiver of an amount due to a former non-controlling shareholder in prior years, which was incidental to the acquisition of an additional interest in a subsidiary.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December, 2025

	2025 HK\$'000	2024 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	210,173	208,262
Adjustments for:		
Depreciation of property, plant and equipment	61,811	53,400
Depreciation of right-of-use assets	29,647	29,383
Finance costs	21,744	34,254
Impairment losses on property, plant and equipment	15,287	–
Impairment losses under ECL model, net of reversal	(4,321)	702
Interest income	(5,965)	(5,943)
Loss (gain) on lease modifications	142	(240)
Loss on disposal of property, plant and equipment	1,268	9,107
Provision for onerous contracts	55,800	–
Share of result of an associate	(2,056)	(1,727)
(Write-back) write-down of inventories	(11,426)	5,413
Operating cash flows before movements in working capital	372,104	332,611
Decrease (increase) in inventories	111,652	(24,183)
(Increase) decrease in rental and other deposits, and trade, bills and other receivables	(73,892)	215,740
Increase in trade, bills and other payables	1,190,539	1,264,324
Increase in contract liabilities	3,980	724
Cash generated from operations	1,604,383	1,789,216
Hong Kong Profits Tax paid	(8,150)	(8,538)
Taxation outside Hong Kong paid	(28,107)	(18,266)
Taxation outside Hong Kong refunded	134	2,925
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,568,260</b>	<b>1,765,337</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December, 2025

	2025 HK\$'000	2024 HK\$'000
<b>INVESTING ACTIVITIES</b>		
Interest received	5,695	6,075
Purchase of property, plant and equipment	(21,891)	(117,247)
Proceeds on disposal of property, plant and equipment	691	244
Deposits paid for acquisition of property, plant and equipment	(9,929)	(1,168)
Repayment from an associate	4,506	2,256
Repayments of loan receivables	894	1,241
Advances of loan receivables	(1,338)	(2,314)
Payments for rental deposits	–	(3,063)
Payments for insurance policy assets	(180)	(183)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(21,552)</b>	<b>(114,159)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to the shareholders of the Company	(37,335)	(34,463)
Dividends paid to non-controlling interests	(12,289)	(9,661)
Interest paid	(22,113)	(35,394)
New bank borrowings raised	101,072	82,397
Repayments of bank borrowings	(113,750)	(88,786)
Repayments of trust receipt loans	(1,235,520)	(1,593,278)
Repayments of lease liabilities	(27,281)	(24,618)
Capital contributions from non-controlling interests	–	2,976
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,347,216)</b>	<b>(1,700,827)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>199,492</b>	<b>(49,649)</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY,</b>	<b>599,490</b>	<b>652,131</b>
Effect of foreign exchange rate changes	6,638	(2,992)
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER,</b>	<b>805,620</b>	<b>599,490</b>
<b>Represented by:</b>		
Cash and cash equivalents	805,620	599,490

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 1. GENERAL INFORMATION

Golik Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability, and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate controlling party is Mr. Pang Tak Chung 潘 ( “Mr. Pang”), who is also the Chairman of the Company. The addresses of the registered office and principal place of business of the Company are set out in the corporate information section of the annual report.

The Company acts as an investment holding company and provides corporate management services. The principal activities of its subsidiaries include the manufacturing and sale of metal products and building construction materials, and the provision of medical imaging services. Hereinafter, the Company and its subsidiaries are collectively referred to as the “Group”.

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st January, 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2026

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2027

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(continued)*

### **New and amendments to HKFRS Accounting Standards in issue but not yet effective** *(continued)*

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

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

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1st January, 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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

### **3.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information

#### ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### ***Revenue from contracts with customers***

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in notes 5 and 28.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### ***Property, plant and equipment***

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than assets under installation, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Assets under installation for production, supply and administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Assets under installation are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets, other than assets under installation, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### ***Impairment on property, plant and equipment and right-of-use assets***

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. 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 cash-generating units. 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 cash-generating units. An impairment loss is recognised immediately in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the net cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

When assessing whether a contract is onerous or loss-making, the Group includes costs that relate directly to the contract, consisting of both the incremental costs (to specify, e.g. direct labour and materials) and an allocation of other costs (to specify, e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract) that relate directly to fulfilling contracts.

#### **Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises cash on hand and demand deposits; and
- (b) cash equivalents, which comprises short-term (generally with original maturity of three months or less) that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### **Research expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### **Leases**

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### *The Group as a lessee*

Allocation of consideration to components of a contract

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.

The Group applies practical expedient not to separate non-lease components (i.e. building management fee) from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

#### Short-term leases

The Group applies the short-term lease recognition exemption to leases of land and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

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

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

#### Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* and initially measured at fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### **Leases** *(continued)*

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

##### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the risk-free rate based on government bond rates and a country-specific risk adjustment.

The lease payments include fixed payments.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

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

##### Lease modifications

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### **Employee benefits**

##### *Retirement benefit costs*

Payments to the Mandatory Provident Fund Scheme (the “MPF Scheme”) for staffs in Hong Kong and retirement pension schemes for staffs in the People’s Republic of China (“PRC”) are recognised as an expense when employees have rendered service entitling them to the contributions.

For the Long Service Payment (“LSP”) under the Hong Kong Employment Ordinance, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of paragraph 93(a) of HKAS 19 *Employee benefits* and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

##### *Termination benefits*

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

##### *Short-term employee benefits*

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard require or permit the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, and annual leave) after deducting any amount already paid.

#### **Taxation**

Income tax expense represent the sum of current and deferred income tax expense.

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate, and interest in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### **Taxation** *(continued)*

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

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

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.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Other than the cost of inventories of concrete products which are determined using the weighted average cost method, the cost of all other products of the Group is determined using the first-in first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale including costs to be incurred in selling and distribution.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### *Financial instruments*

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

#### *Financial assets*

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

#### Classification and subsequent measurement of financial assets

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

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

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

#### (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### **Financial instruments** *(continued)*

##### *Financial assets (continued)*

##### Classification and subsequent measurement of financial assets *(continued)*

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investment, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends, if any, are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

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

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

#### Impairment of financial assets

The Group performs impairment assessment under ECL model on financial assets (including rental deposits, trade, bills, loan and other receivables, amount due from an associate, and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade and bills receivables.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### *Financial instruments (continued)*

#### *Financial assets (continued)*

#### *Impairment of financial assets (continued)*

(i) Significant increase in credit risk

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

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### **Financial instruments** *(continued)*

##### *Financial assets (continued)*

##### *Impairment of financial assets (continued)*

(ii) Definition of default

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

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Except for debtors with balances that are credit-impaired which are assessed individually, lifetime ECL for remaining debtors are considered on a collective basis taking into consideration of past due information and relevant credit information such as forward-looking macroeconomic information.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

### 3.2 Material accounting policy information *(continued)*

#### *Financial instruments (continued)*

#### *Financial assets (continued)*

#### *Impairment of financial assets (continued)*

#### (v) Measurement and recognition of ECL *(continued)*

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance amount.

#### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

#### *Financial liabilities and equity*

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### *Equity instruments*

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

#### *Financial liabilities at amortised cost*

Financial liabilities including bank borrowings, trade, bills and other payables, and amounts due to non-controlling shareholders are subsequently measured at amortised cost using the effective interest method.

#### *Derecognition of financial liabilities*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually.

In addition, for trade receivables which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables is disclosed in note 39.

### Provision for onerous concrete supply contracts

The Group has entered into several long-term concrete supply contracts that are currently loss-making. Management has exercised judgement in determining whether these contracts are onerous under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. This involves assessing whether the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received.

The measurement of the related provision requires estimation both the expected economic benefits (based on contracted unit prices and outstanding quantities to be delivered) and the unavoidable costs of fulfilling the contracts. These unavoidable costs comprise directly attributable costs, including projected material costs, production costs, and allocations of other costs such as depreciation of property, plant and equipment used in fulfilling the contracts.

As at 31st December, 2025, the carrying amount of the provision is approximately HK\$55,800,000 (2024: nil).

## 5. REVENUE

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers	3,615,833	3,445,553
Interest income on money lending	256	231
Total	3,616,089	3,445,784

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 5. REVENUE *(continued)*

### (i) Disaggregation of revenue from contracts with customers

For the year ended 31st December, 2025

Types of goods or service	Metal products HK\$'000	Building construction materials HK\$'000	Medical imaging services HK\$'000	Total HK\$'000
<b>Sales of goods</b>				
Steel coil processing, steel wires and wire rope products	1,175,884	–	–	1,175,884
Concrete products	–	685,851	–	685,851
Construction steel products and processing, and other construction products	–	1,712,705	–	1,712,705
<b>Service income</b>				
Provision of medical imaging services	–	–	41,393	41,393
<b>Total</b>	<b>1,175,884</b>	<b>2,398,556</b>	<b>41,393</b>	<b>3,615,833</b>
<b>Geographical markets</b>				
Hong Kong	11,174	2,387,709	41,393	2,440,276
Chinese Mainland	955,022	10,149	–	965,171
United States	134,523	–	–	134,523
Others	75,165	698	–	75,863
<b>Total</b>	<b>1,175,884</b>	<b>2,398,556</b>	<b>41,393</b>	<b>3,615,833</b>
<b>Timing of revenue recognition</b>				
A point in time	1,175,884	2,398,556	41,393	3,615,833

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 5. REVENUE *(continued)*

### (i) Disaggregation of revenue from contracts with customers *(continued)*

For the year ended 31st December, 2024

Types of goods or service	Metal products HK\$'000	Building construction materials HK\$'000	Medical imaging services HK\$'000	Total HK\$'000
<b>Sales of goods</b>				
Steel coil processing, steel wires and wire rope products	1,087,072	–	–	1,087,072
Concrete products	–	718,276	–	718,276
Construction steel products and processing, and other construction products	–	1,635,988	–	1,635,988
<b>Service income</b>				
Provision of medical imaging services	–	–	4,217	4,217
<b>Total</b>	<b>1,087,072</b>	<b>2,354,264</b>	<b>4,217</b>	<b>3,445,553</b>
<b>Geographical markets</b>				
Hong Kong	11,857	2,334,515	4,217	2,350,589
Chinese Mainland	899,042	12,392	–	911,434
United States	110,474	–	–	110,474
Others	65,699	7,357	–	73,056
<b>Total</b>	<b>1,087,072</b>	<b>2,354,264</b>	<b>4,217</b>	<b>3,445,553</b>
<b>Timing of revenue recognition</b>				
A point in time	1,087,072	2,354,264	4,217	3,445,553

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 5. REVENUE *(continued)*

### (ii) Performance obligations for contracts with customers and revenue recognition policies

The Group sells metal products and building construction materials directly to corporate customers. Revenue is recognised when control of the goods is transferred, which occurs at the point in time when the goods are either picked up by the customers or delivered to the customer's designated location.

The Group also provides medical imaging services. Revenue from these services is recognised when control of the promised services is transferred to the customers, which is at the point in time when the reports are endorsed.

Other than the cash sales, the Group allows credit periods ranging from 30 to 180 days (2024: 30 to 180 days) to its customers.

A contract liability is recognised for sales in which revenue has not yet been recognised.

### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligation of sales of building construction materials (unsatisfied or partially unsatisfied) as at 31st December, 2025 and 2024 and the expected timing of recognising revenue are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	827,146	471,120
More than one year but not more than two years	389,789	749,655
More than two years	387,417	88,382
Total	1,604,352	1,309,157

The timing of delivery may be varied within the contracted period and the amount disclosed represent the Group's expectation on the timing of delivery requested by customers.

Other than sales of building construction materials, the Group applied the practical expedient for contracts with original expected duration less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 6. OPERATING SEGMENTS

Information reported to the Chairman and Vice Chairman of the Group, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable segments under HKFRS 8 *Operating Segments* are as follows:

1. Metal products
2. Building construction materials
3. Provision of medical imaging services

In addition to the above reportable segments, other operating segments include money lending.

### Segment revenues and results

The following is an analysis of the Group’s revenue and results by operating and reportable segment:

#### 2025

	Metal products HK\$'000	Building construction materials HK\$'000	Medical imaging services HK\$'000	Reportable segment total HK\$'000	Other operations HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>							
External sales	1,175,884	2,398,556	41,393	3,615,833	256	-	3,616,089
Inter-segment sales	3,490	135	-	3,625	-	(3,625)	-
<b>Total</b>	<b>1,179,374</b>	<b>2,398,691</b>	<b>41,393</b>	<b>3,619,458</b>	<b>256</b>	<b>(3,625)</b>	<b>3,616,089</b>
<b>SEGMENT RESULT</b>	<b>138,801</b>	<b>145,291</b>	<b>(11,645)</b>	<b>272,447</b>	<b>207</b>	<b>-</b>	<b>272,654</b>
Unallocated other income							6,115
Unallocated corporate expenses							(33,621)
Impairment loss on property, plant and equipment							(15,287)
Finance costs							(21,744)
– Interest on bank borrowings							(13,035)
– Interest on lease liabilities							(8,709)
Share of result of an associate							2,056
<b>Profit before tax</b>							<b>210,173</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 6. OPERATING SEGMENTS *(continued)*

### Segment revenues and results *(continued)*

2024

	Metal products HK\$'000	Building construction materials HK\$'000	Medical imaging services HK\$'000	Reportable segment total HK\$'000	Other operations HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>							
External sales	1,087,072	2,354,264	4,217	3,445,553	231	–	3,445,784
Inter-segment sales	3,289	164	–	3,453	–	(3,453)	–
<b>Total</b>	<b>1,090,361</b>	<b>2,354,428</b>	<b>4,217</b>	<b>3,449,006</b>	<b>231</b>	<b>(3,453)</b>	<b>3,445,784</b>
<b>SEGMENT RESULT</b>							
	121,055	151,721	(15,844)	256,932	187	–	257,119
Unallocated other income							5,102
Unallocated corporate expenses							(21,432)
Finance costs							(34,254)
– Interest on bank borrowings							(25,382)
– Interest on lease liabilities							(8,872)
Share of result of an associate							1,727
<b>Profit before tax</b>							<b>208,262</b>

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment result represents the gross profit earned by (loss from) each segment, net of selling and distribution costs, and administrative expenses directly attributable to each segment without allocation of certain other income, corporate expenses, impairment loss on property, plant and equipment, finance costs and share of results of an associate. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at cost or cost plus a percentage of mark-up.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 6. OPERATING SEGMENTS *(continued)*

### Other segment information

Amounts included in the measure of segment result:

#### 2025

	Metal products HK\$'000	Building construction materials HK\$'000	Medical imaging services HK\$'000	Reportable segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Depreciation of property, plant and equipment	30,518	19,883	11,222	61,623	188	61,811
Depreciation of right-of-use assets	14,273	2,450	6,619	23,342	6,305	29,647
Impairment losses on property, plant and equipment	-	-	15,287	15,287	-	15,287
Impairment losses under ECL model, net of reversal	3,418	(7,779)	45	(4,316)	(5)	(4,321)
Loss (gain) on disposal of property, plant and equipment	1,539	(271)	-	1,268	-	1,268
Provision for onerous contracts	-	(55,800)	-	(55,800)	-	(55,800)
Write-back of inventories	(2,565)	(8,861)	-	(11,426)	-	(11,426)

#### 2024

	Metal products HK\$'000	Building construction materials HK\$'000	Medical imaging services HK\$'000	Reportable segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Depreciation of property, plant and equipment	28,900	20,394	3,910	53,204	196	53,400
Depreciation of right-of-use assets	14,045	2,706	5,930	22,681	6,702	29,383
Impairment losses under ECL model, net of reversal	(705)	1,656	15	966	(264)	702
Loss on disposal of property, plant and equipment	717	8,390	-	9,107	-	9,107
(Write-back) write-down of inventories	(334)	5,747	-	5,413	-	5,413

### Geographical information

The Group operates in two principal geographical areas, namely Hong Kong and Chinese Mainland.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 6. OPERATING SEGMENTS *(continued)*

### Geographical information *(continued)*

The Group's revenue from external customers is presented based on the geographical location of the customers and information about its non-current assets (other than financial instruments) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	2,440,532	2,350,820	303,467	340,477
Chinese Mainland	965,171	911,434	331,286	345,086
United States	134,523	110,474	–	–
Others	75,863	73,056	–	–
	<b>3,616,089</b>	3,445,784	<b>634,753</b>	685,563

Note: Non-current assets excluded amount due from an associate, equity instrument at FVTOCI, insurance policy assets, rental and other deposits, and loan receivables.

No customer has contributed over 10% of the total revenue of the Group for both years.

## 7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Claims and compensation received	1,807	3,521
Crane, weighbridge and other handling income	585	2,641
Gain on lease modifications	–	240
Government grants (Note (a))	5,567	3,026
Interest income	5,965	5,943
Processing income	5	5
Rental income from property, plant and equipment (Note (b))	–	500
Sales of scraps and samples	5,364	5,847
Storage income	196	490
Sundry income	1,417	1,188
	<b>20,906</b>	23,401

Notes:

- (a) During the year ended 31st December, 2025, government grants mainly comprised an incentive for operating in an economic development zone in Tianjin of HK\$5,567,000 (2024: HK\$2,183,000), which was unconditional and recognised in other income.
- (b) During the year ended 31st December, 2024, the Group recognised lease income of HK\$500,000 from operating leases as a lessor with fixed lease payments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	2025 HK\$'000	2024 HK\$'000
Net impairment losses under ECL model recognised (reversed) on:		
– amount due from an associate	(1,847)	(2,250)
– trade receivables	(2,469)	7,749
– other receivables	(5)	(4,797)
	<b>(4,321)</b>	702

Details of the impairment assessment are set out in note 39.

## 9. OTHER LOSSES

	2025 HK\$'000	2024 HK\$'000
Exchange losses, net	1,491	755
Loss on lease modifications	142	–
Loss on disposal of property, plant and equipment	1,268	9,107
	<b>2,901</b>	9,862

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 10. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax:		
Hong Kong	11,329	7,190
Chinese Mainland Enterprise Income Tax	19,567	16,886
Withholding tax paid for distributed profits in Chinese Mainland	1,788	1,319
	<b>32,684</b>	25,395
Underprovision on in prior years:		
Hong Kong	248	484
Chinese Mainland Enterprise Income Tax	4,378	169
	<b>4,626</b>	653
Deferred tax (note 34)	<b>2,000</b>	1,781
	<b>39,310</b>	27,829

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of taxable profits of qualifying group entity will be taxed at 8.25%, and taxable profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of Chinese Mainland on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable to the Chinese Mainland subsidiaries is 25% for both years. In addition, one Chinese Mainland subsidiary of the Company in Tianjin qualified as a "High-tech Enterprises" and is subject to an Enterprise Income Tax Rate of 15%, which was granted for three years starting from 2025. Another three Chinese Mainland subsidiaries qualified as "Small Low-profit Enterprise" in Guangdong and are subject to an Enterprise Income Tax rate of 5% for the taxable profits not exceeding Renminbi ("RMB") 3 million. Further, withholding income tax of 10% is generally imposed on dividends relating to any profits earned commencing from 2008 and payable to foreign investors, while for certain Chinese Mainland entities held by companies incorporated in designated jurisdictions, including Hong Kong, a preferential tax rate of 5% may be applied under the EIT Law if such companies are the beneficial owner of over 25% of these Chinese Mainland entities.

The EIT Law requires withholding tax to be levied on the distribution of profits earned by a Chinese Mainland entity to a Hong Kong resident company (which is the beneficial owner of the dividend received) for profits generated after 1st January, 2008 at the rate of 5%. As at 31st December, 2025 and 2024, deferred tax was provided in full in respect of the temporary differences attributable to such profits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 10. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled from the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Hong Kong		Chinese Mainland		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Profit before tax	82,281	103,664	127,892	104,598	210,173	208,262
Domestic income tax rate	16.50%	16.50%	25.00%	25.00%		
Tax at the domestic income tax rate	13,576	17,105	31,973	26,150	45,549	43,255
Tax effect of share of result of an associate	(339)	(285)	-	-	(339)	(285)
Tax effect of expenses not deductible for tax purpose	4,119	2,376	801	7,302	4,920	9,678
Tax effect of income not taxable for tax purpose	(970)	(1,564)	(254)	(945)	(1,224)	(2,509)
Tax effect of tax losses not recognised	1,375	9,406	-	-	1,375	9,406
Utilisation of tax losses previously not recognised	(14,574)	(14,170)	-	-	(14,574)	(14,170)
Tax effect of other deductible temporary differences not recognised	3,236	2,070	3,957	4,128	7,193	6,198
Utilisation of other temporary differences not recognised	(1,188)	(7,472)	(32)	(76)	(1,220)	(7,548)
Tax effect of super deduction on research and development expenditures	-	-	(1,415)	(9,565)	(1,415)	(9,565)
Effect of tax concession granted to Chinese Mainland subsidiaries	-	-	(15,585)	(10,077)	(15,585)	(10,077)
Withholding tax on undistributed profits in Chinese Mainland	3,788	2,719	-	-	3,788	2,719
Underprovision in prior years	248	484	4,378	169	4,626	653
Income tax at concessionary rate	(165)	(165)	-	-	(165)	(165)
Others	6,259	270	122	(31)	6,381	239
Income tax expense for the year	15,365	10,774	23,945	17,055	39,310	27,829

Details of deferred tax are set out in note 34.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 11. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	3,075	2,965
Cost of inventories recognised as expense including write-back of inventories of HK\$11,426,000 (2024: write-down of inventories of HK\$5,413,000)	2,548,537	2,616,987
Depreciation of property, plant and equipment	61,811	53,400
Depreciation of right-of use assets	29,647	29,383
Interest income on rental deposits	(270)	(224)
Interest income from an associate	(291)	(449)
Interest income on bank deposits	(5,111)	(5,069)
Other interest income	(293)	(201)
Provision for onerous contracts	55,800	–
Research expenditure included in other expenses (including worker and staff costs of HK\$23,114,000 (2024: HK\$20,043,000) and depreciation of right-of-use assets of HK\$278,000 (2024: HK\$1,274,000))	52,474	50,167
Worker and staff costs including directors' emoluments and contributions to retirement benefits scheme	364,930	333,290

During the year ended 31st December, 2025, depreciation of right-of-use assets in relation to director's accommodation amounting to HK\$2,072,000 (2024: HK\$2,016,000) is included in directors' emoluments under worker and staff costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 12. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Mr. Pang HK\$'000 (Note a)	Ho Wai Yu, Sammy HK\$'000 (Note a)	Pang Wan Ping HK\$'000 (Notes a & e)	Pang Chi To HK\$'000 (Note a)	John Graham Churchfield HK\$'000 (Note d)	Hai Tuen Tai, Freddie HK\$'000 (Note b)	Luk Kam Fan, Jimmy HK\$'000 (Note b)	Linn Hon Chung, Ambrose HK\$'000 (Note b)	2025 Total HK\$'000
Fees	-	-	-	-	-	266	266	266	798
Other emoluments									
Salaries and other benefits	7,495	4,844	1,574	1,202	187	-	-	-	15,302
Bonus*	2,800	2,800	700	350	-	-	-	-	6,650
Contributions to retirement benefits scheme	-	-	126	96	-	-	-	-	222
	<b>10,295</b>	<b>7,644</b>	<b>2,400</b>	<b>1,648</b>	<b>187</b>	<b>266</b>	<b>266</b>	<b>266</b>	<b>22,972</b>

	Mr. Pang HK\$'000 (Note a)	Ho Wai Yu, Sammy HK\$'000 (Note a)	Pang Wan Ping HK\$'000 (Notes a & e)	Pang Chi To HK\$'000 (Note a)	Hai Tuen Tai, Freddie HK\$'000 (Note b)	Luk Kam Fan, Jimmy HK\$'000 (Note b)	Linn Hon Chung, Ambrose HK\$'000 (Note b)	2024 Total HK\$'000
Fees	-	-	-	-	253	253	253	759
Other emoluments								
Salaries and other benefits	7,143	4,604	1,504	1,140	-	-	-	14,391
Bonus*	2,800	2,800	600	300	-	-	-	6,500
Contributions to retirement benefits scheme	-	-	121	91	-	-	-	212
	<b>9,943</b>	<b>7,404</b>	<b>2,225</b>	<b>1,531</b>	<b>253</b>	<b>253</b>	<b>253</b>	<b>21,862</b>

\* The executive directors of the Company are entitled to discretionary bonus payments which are determined based on the performance and effort of the individual executive directors and the performance of the Group.

Notes:

- The executive directors' emoluments shown above were for their services in connection with the management of the affairs and effects of the Company and the Group.
- The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- No director waived any emoluments for the two years ended 31st December, 2025 and 2024.
- Mr. John Graham Churchfield was appointed as an executive director with effect from 1st October, 2025 and resigned with effect from 14th November, 2025.
- Ms. Pang Wan Ping is the CEO of the Group. Her emoluments disclosed above include those for services rendered by her as the CEO.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the years included three (2024: three) directors, details of whose emoluments are set out in note 12 above. Details of the remuneration for the year of the remaining two (2024: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	3,278	3,209
Bonus	4,446	4,873
Contributions to retirement benefits scheme	105	101
	<b>7,829</b>	<b>8,183</b>

The number of the highest paid employees who are not directors of the Company whose remuneration fell within the following bands is as follows:

	2025 Number of employees	2024 Number of employees
HK\$6,000,001 – HK\$6,500,000	–	1
HK\$5,000,001 – HK\$5,500,000	1	–
HK\$2,500,001 – HK\$3,000,000	1	–
HK\$2,000,001 – HK\$2,500,000	–	1
	<b>2</b>	<b>2</b>

During both years, no emoluments were paid by the Group to the directors and five highest paid employees, including directors and employees, as an inducement to join or upon joining the Group or as compensation for loss of office other than disclosed above.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 14. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Final – HK4.0 cents (2024: 2023 Final – HK3.5 cents) per ordinary share	<b>22,975</b>	20,103
2025 Interim – HK2.5 cents (2024: 2024 Interim – HK2.5 cents) per ordinary share	<b>14,360</b>	14,360
	<b>37,335</b>	34,463

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31st December, 2025 of HK4.0 cents per ordinary share, in aggregate amount of HK\$22,975,000 has been proposed by the directors of the Company and is subject to the approval by the shareholders in the forthcoming general meeting.

## 15. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the shareholders of the Company for the year amounting to HK\$151,235,000 (2024: HK\$158,098,000) and 574,378,128 (2024: 574,378,128) ordinary shares in issue during the year.

No diluted earnings per share has been presented for the years ended 31st December, 2025 and 2024, as there were no potential ordinary shares in issue during the year.

## 16. GOODWILL

	HK\$'000
<b>COST</b>	
At 1st January, 2024, 31st December, 2024 and 31st December, 2025	3,808
<b>IMPAIRMENT</b>	
At 1st January, 2024, 31st December, 2024 and 31st December, 2025	(3,808)
<b>CARRYING AMOUNT</b>	
At 31st December, 2025 and 31st December, 2024	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Plant and machinery and equipment HK\$'000	Jetty HK\$'000	Assets under installation HK\$'000	Total HK\$'000
<b>COST</b>								
As at 1st January, 2024	328,583	31,410	28,466	22,124	585,947	–	45,170	1,041,700
Exchange adjustments	(572)	(282)	(242)	(104)	(8,529)	–	(928)	(10,657)
Additions	–	20,873	1,185	597	91,622	–	11,872	126,149
Disposals	(5,928)	(3,182)	(65)	(719)	(7,887)	–	–	(17,781)
Reclassification	–	–	4,583	–	43,782	–	(48,365)	–
As at 31st December, 2024	322,083	48,819	33,927	21,898	704,935	–	7,749	1,139,411
Exchange adjustments	661	252	392	118	11,548	–	184	13,155
Additions	–	33	3,232	2,342	8,071	222	7,735	21,635
Disposals	(364)	–	(792)	(1,619)	(5,171)	–	–	(7,946)
Reclassification	–	–	–	–	725	–	(725)	–
<b>As at 31st December, 2025</b>	<b>322,380</b>	<b>49,104</b>	<b>36,759</b>	<b>22,739</b>	<b>720,108</b>	<b>222</b>	<b>14,943</b>	<b>1,166,255</b>
<b>DEPRECIATION AND IMPAIRMENT</b>								
As at 1st January, 2024	144,712	24,058	23,345	19,589	364,964	–	–	576,668
Exchange adjustments	(474)	(168)	(179)	(90)	(5,664)	–	–	(6,575)
Provided for the year	8,223	4,142	2,226	908	37,901	–	–	53,400
Eliminated on disposals	(775)	(1,326)	(60)	(719)	(5,550)	–	–	(8,430)
As at 31st December, 2024	151,686	26,706	25,332	19,688	391,651	–	–	615,063
Exchange adjustments	559	184	239	107	7,185	–	–	8,274
Provided for the year	8,037	7,723	2,810	862	42,374	5	–	61,811
Impairment loss recognised in profit or loss (Note)	–	–	–	–	15,287	–	–	15,287
Eliminated on disposals	(364)	–	(741)	(1,618)	(3,264)	–	–	(5,987)
<b>As at 31st December, 2025</b>	<b>159,918</b>	<b>34,613</b>	<b>27,640</b>	<b>19,039</b>	<b>453,233</b>	<b>5</b>	<b>–</b>	<b>694,448</b>
<b>CARRYING VALUES</b>								
<b>As at 31st December, 2025</b>	<b>162,462</b>	<b>14,491</b>	<b>9,119</b>	<b>3,700</b>	<b>266,875</b>	<b>217</b>	<b>14,943</b>	<b>471,807</b>
As at 31st December, 2024	170,397	22,113	8,595	2,210	313,284	–	7,749	524,348

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 17. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rate per annum:

Leasehold land and buildings	Over the shorter of the terms of the leases, or 20 to 50 years
Leasehold improvements	Over the shorter of the terms of the leases or 10 years
Jetty	Over the shorter of the terms of the leases, or 20 to 50 years
Furniture and fixtures	10% – 33 $\frac{1}{3}$ %
Motor vehicles	10% – 33 $\frac{1}{3}$ %
Plant and machinery and equipment	5% – 50%

The carrying value of leasehold land and buildings comprises:

	2025 HK\$'000	2024 HK\$'000
Situated in Hong Kong	158,549	165,854
Situated in Chinese Mainland	3,913	4,543
	<b>162,462</b>	170,397

Note: Due to the loss-making position of the Group's medical imaging services business, management identified indications of impairment on its equipments and carried out an impairment assessment on those assets.

The recoverable amounts of the equipments at 31st December, 2025 were determined based on their value in use. The Group estimated the value in use using a discount rate of 8.05%. Consequently, the relevant assets were impaired to their recoverable amount of HK\$30,876,000. An impairment loss of HK\$15,287,000 was recognised in profit or loss within the relevant functions to which these assets relate during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 18. RIGHT-OF-USE ASSETS

	Leasehold lands HK\$'000	Land and buildings HK\$'000	Plant and machinery and equipment HK\$'000	Total HK\$'000
<b>As at 31st December, 2024</b>				
Carrying amount	8,774	146,581	4,692	160,047
<b>As at 31st December, 2025</b>				
Carrying amount	<b>8,640</b>	<b>141,638</b>	<b>3,609</b>	<b>153,887</b>
<b>For the year ended 31st December, 2024</b>				
Depreciation charge	351	28,310	722	29,383
<b>For the year ended 31st December, 2025</b>				
Depreciation charge	<b>352</b>	<b>28,213</b>	<b>1,082</b>	<b>29,647</b>
			<b>2025</b>	2024
			<b>HK\$'000</b>	HK\$'000
Expense relating to short-term leases			<b>61,318</b>	61,384
Total cash outflow for leases			<b>97,309</b>	94,874
Additions to right-of-use assets			<b>20,260</b>	31,256

For both years, the Group leases various offices, warehouses, plant and machinery, and equipment for its operations. Lease contracts were entered into with the following ranges of fixed terms:

Leasehold lands	14 – 48 years
Land and buildings	2 – 26 years
Plant and machinery and equipment	3 – 20 years

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 18. RIGHT-OF-USE ASSETS (continued)

The Group regularly enters into short-term leases for land and buildings. As at 31st December, 2025 and 2024, the portfolio of short-term leases was similar to the portfolio of short-term leases to which the short-term lease expense disclosed above relates.

As at 31st December, 2025 and 2024, the Group had no lease with variable lease payment. The lease agreements do not impose any extension or termination options that are exercisable only by the Group and not by the respective lessors.

As at 31st December, 2025 and 2024, the Group did not provide any residual value guarantees in relation to its leases arrangements. The lease agreements do not impose any covenants other than the security interests in the leased assets held by the lessor.

As at 31st December, 2025 and 2024, the Group had no leases that were committed but had not yet commenced.

## 19. INTEREST IN A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Cost of unlisted investments	1,226	1,226
Share of post-acquisition profits and other comprehensive income	3,705	3,705
Less: Impairment loss recognised (Note)	(4,931)	(4,931)
	–	–

Details of the joint venture at the end of reporting period are as follows:

Name of entity	County of incorporation/ principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activity
		2025 %	2024 %	
昆山羅莎芙爾油墨有限公司	Chinese Mainland	33.25*	33.25*	Inactive

\* The Group's 95% owned subsidiary held 35% in this company.

Note: The amount represented the impairment loss on the interest in a joint venture of HK\$4,931,000 recognised during the year ended 31st December, 2023. It represented the difference between the carrying amount of the investment and the Company's share of the present value of the expected net future cash flows generated from the investment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 19. INTEREST IN A JOINT VENTURE *(continued)*

### Information of the joint venture that is not individually material

	2025 HK\$'000	2024 HK\$'000
The Group's share of loss and total comprehensive expense	–	–

## 20. INTEREST IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE

	2025 HK\$'000	2024 HK\$'000
Cost of unlisted investment	4,505	4,505
Share of post-acquisition losses and other comprehensive expense	(4,505)	(4,505)
	–	–
Amount due from an associate		
– Non-current asset (Note b)	6,983	11,488
Less: impairment losses under ECL model	–	(1,847)
	6,983	9,641
Less: share of post-acquisition losses that are in excess of the cost of the investment	(3,388)	(5,443)
	3,595	4,198

The amount due from an associate after share of post-acquisition losses that are in excess of the cost of the investment of HK\$3,595,000 (2024: HK\$4,198,000) is considered as long-term interests that, in substance form part of the Group's net investments in the relevant associate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 20. INTEREST IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE *(continued)*

Details of the associate at the end of reporting period are as follows:

Name of entity	Place of incorporation/ principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activity
		2025 %	2024 %	
Hongkong United Reinforcement Engineering Limited	Hong Kong	45	45	Provision of a structural steel cut and bend facility on the premises for rebar cutting, bending and prefabrication services

Notes:

- (a) The Group is able to exercise significant influence over the associate because it has the power to appoint three (2024: three) out of six directors of the company under the Articles of Association of the associate. The chairman of the board of the associate shall be nominated by another shareholder of the associate and shall have a casting vote in the event of an equality of voting.
- (b) The amount of HK\$6,975,000 (2024: HK\$11,475,000) is unsecured, carries interest at 2% below the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited per annum, and is repayable in 2028 (2024: 2025). The remaining balance of HK\$8,000 (2024: HK\$13,000) is unsecured and interest-free.

Details of the impairment assessment of amount due from an associate are set out in note 39.

### Summarised financial information of the associate

Summarised financial information in respect of the associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

The associate is accounted for using the equity method in these consolidated financial statements.

	2025 HK\$'000	2024 HK\$'000
Revenue	14,302	13,999
Profit and total comprehensive income for the year	4,568	3,836

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 20. INTEREST IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE *(continued)*

### Summarised financial information of the associate *(continued)*

	2025 HK\$'000	2024 HK\$'000
Current assets	6,301	9,920
Non-current assets	–	1,782
Current liabilities	(4,216)	(4,185)
Non-current liabilities	(15,500)	(25,500)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2025 HK\$'000	2024 HK\$'000
Net liabilities	(13,415)	(17,983)
Proportion of the Group's ownership interest in the associate	45%	45%
Share of net liabilities of the associate	(6,037)	(8,092)
Add: Share of post-acquisition losses that are in excess of the cost of the investment	3,388	5,443
Add: 10% pre-acquisition losses not shared	2,649	2,649
Carrying amount of the Group's interest in the associate	–	–

## 21. EQUITY INSTRUMENT AT FVTOCI

The equity investment is listed on the Frankfurt Stock Exchange.

The fair value of the investment is determined by reference to the bid prices quoted in an active market. At 31st December, 2025, the fair value of the investment is HK\$27,000 (2024: HK\$61,000) and a fair value loss of HK\$34,000 (2024: fair value gain of HK\$48,000) on this equity instrument has been recognised in other comprehensive income and accumulated in FVTOCI reserve.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 22. INSURANCE POLICY ASSETS

	2025 HK\$'000	2024 HK\$'000
Insurance policy assets due after one year	7,589	7,409

The Group has entered into life insurance policies with insurance companies to insure its executive directors and staff. Under the policies, both the beneficiary and policy holder are the Company and a subsidiary of the Company, and the total insured sum is HK\$49,805,000 (2024: HK\$49,686,000). The Group paid premium charges of HK\$324,000 at the inception of the policies. The Group may terminate the policies at any time and receive cash back based on the cash value of the policies at the date of withdrawal. The cash value is determined by reference to the upfront payment of HK\$5,405,000 (2024: HK\$5,392,000), plus accumulated interest earned, less the insurance premium charged at inception of HK\$324,000 and the accumulated monthly insurance premium expenses charged. In addition, if withdrawal is made between the 1st to 15th policy year, a specified surrender charge will apply. The insurance companies pay interest at 3% per annum on the outstanding cash value of the policies.

As at 31st December, 2025, the expected life of the policies was remained unchanged from the initial recognition and the directors considered that the financial impact of the option to terminate the policies was insignificant.

Insurance policy assets that are denominated in foreign currencies, currencies other than the functional currencies of relevant group entities, amounted to HK\$7,589,000 (2024: HK\$7,409,000).

## 23. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	39,596	36,217
Work in progress	75,069	72,061
Finished goods	392,987	495,671
Supplies	1,947	1,863
	<b>509,599</b>	<b>605,812</b>

### Write-down of inventories

The Group's inventories include steel products, concrete products, and other construction products. The write-down of inventories relates mainly to the inventories of GSHK, a subsidiary of the Company. The net realisable values are subject to fluctuations in the market prices of steel products. When the market prices of steel products fluctuate, the selling price of GSHK's steel products may change accordingly, which exerts pressures on their net realisable values.

As at 31st December, 2025, the carrying amount of inventories included inventories of GSHK amounted to HK\$318,843,000 (net of a write-down of HK\$3,387,000 (2024: HK\$420,941,000 (net of a write-down of HK\$9,596,000))).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 24. RENTAL AND OTHER DEPOSITS, TRADE, BILLS, LOAN AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	852,280	779,638
Less: Impairment losses under ECL model	(64,304)	(68,270)
	<b>787,976</b>	711,368
Bills receivables	26,643	13,395
Loan receivables (Notes (a), (b))	3,896	4,002
Less: Impairment losses under ECL model	(550)	(550)
	<b>3,346</b>	3,452
Prepayments	46,103	51,052
Rental and other deposits	21,718	22,673
Other receivables	19,984	17,353
Less: Impairment losses under ECL model	(10,887)	(10,765)
	<b>76,918</b>	80,313
Total trade, bills, loan and other receivables	<b>894,883</b>	808,528
Analysed for reporting purpose as:		
Current	887,138	801,455
Non-current – Loan receivables, net	2,360	2,660
Non-current – Rental and other deposits	5,385	4,413
	<b>894,883</b>	808,528

Notes:

- (a) As at 31st December, 2025, the loan receivables with a carrying amount of HK\$3,346,000 (2024: HK\$3,452,000) are secured by collaterals such as motor vehicles and are repayable by instalments within seven years from the first drawdown date. The Group is not permitted to sell or repledge the motor vehicle in the absence of default by the borrowers. There have been no significant changes in the quality of the collaterals held for these loan receivables. The interest rate is ranging from 2.46% to 3.68% (2024: 2.46% to 3.68%) per annum. The Group has not recognised a loss allowance for these loan receivables as a result of these collaterals provided.
- (b) Included in the carrying amount of loan receivables as at 31st December, 2025 are accumulated impairment losses of HK\$550,000 (2024: HK\$550,000). The amount is secured, interest-bearing at 3.5% (2024: 7%) per annum, and repayable on demand. Details of the impairment assessment are set out in note 39.

As at 1st January, 2024, trade receivables from contracts with customers amounted to HK\$974,262,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 24. RENTAL AND OTHER DEPOSITS, TRADE, BILLS, LOAN AND OTHER RECEIVABLES *(continued)*

The following is an aged analysis of trade and bills receivables, net of allowance for credit losses, presented based on the invoice date.

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	<b>330,944</b>	295,671
31 – 60 days	<b>225,551</b>	233,745
61 – 90 days	<b>128,277</b>	127,522
91 – 120 days	<b>63,154</b>	42,334
More than 120 days	<b>66,693</b>	25,491
	<b>814,619</b>	724,763

As at 31st December, 2025, total bills received amounting to HK\$26,643,000 (2024: HK\$13,395,000) are held by the Group for future settlement of trade receivables of which certain bills amounting to HK\$13,406,000 (2024: HK\$7,557,000) were further endorsed by the Group. The Group continues to recognise their full carrying amounts at the end of the reporting periods. All bills received by the Group are with a maturity period of less than one year.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$323,833,000 (2024: HK\$273,787,000) which are past due at the reporting date. Out of the past due balances, HK\$30,215,000 (2024: HK\$20,931,000) has been past due 90 days or more and is not considered as in default because it's the industry's practice that payments are usually made later than due dates. The Group does not hold any collateral over these balances. Trade receivables which are neither past due nor impaired are in good quality with satisfactory repayment history in the past.

Details of the impairment assessment of trade, bills, loan and other receivables are set out in note 39.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 24. RENTAL AND OTHER DEPOSITS, TRADE, BILLS, LOAN AND OTHER RECEIVABLES *(continued)*

The Group holds a money lender license in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and provides loan facilities to business associates referred by member companies of the Group. The Group earns interest income from provision of such loan facilities through a wholly-owned subsidiary of the Company, Golik Capital Limited ("Golik Capital").

### Loan Outstanding under Money Lending Business of the Group

The following table shows the Group's loan receivables as at 31st December, 2025 and 2024 in the book of Golik Capital categorised by natures of relevant loans:

Loans by Natures	Loan principal as at 31st December, 2025 HK\$'000	Interest rate per annum %	% of total loan principal as at 31st December, 2025 %
Instalment loans, with collaterals	3,346	2.46 – 3.68	85.88
Loan, with personal guarantee	550	3.5	14.12
Total loan receivables	<b>3,896</b>		<b>100.00</b>
Less: Impairment losses under ECL model	<b>(550)</b>		
Net loan receivables	<b>3,346</b>		
	Loan principal as at 31st December, 2024 HK\$'000	Interest rate per annum %	% of total loan principal as at 31st December, 2024 %
Instalment loans, with collaterals	3,452	2.46 – 3.68	86.26
Loan, with personal guarantee	550	7.00	13.74
Total loan receivables	4,002		100.00
Less: Impairment losses under ECL model	(550)		
Net loan receivables	3,452		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 24. RENTAL AND OTHER DEPOSITS, TRADE, BILLS, LOAN AND OTHER RECEIVABLES *(continued)*

### Risk Control and Management Policies

The Group has adopted and followed a series of control procedures to regulate Golik Capital's money lending business to ensure comprehensive risk control and management in all money lending transactions so as to safeguard the interest of the Company and its shareholders. Key internal controls adopted in this connection by the Golik Capital include know your client verification, assessment against individual credit risk, proper internal credit approval and ongoing monitoring loan recoverability as follows:

- (1) check and verify background for each loan applicant, such as to obtain comment from the loan applicant's referrer, ask required identity documents and search other information legally available in the market as possible;
- (2) obtain credit report in respect of loan applicant's historical payment default, if any;
- (3) obtain original collateral's document for all secured loans to be applied;
- (4) verify authenticity as possible for all information provided by loan applicant; and
- (5) ready all documents along with an in-house document check list, propose loan's amount for loan applicant with concluded comment from findings for internal official approval.

To minimise the Group's exposure from credit and management risk, Golik Capital would conduct regular review on each loan's performance against relevant repayment and settlement so that loan's periodical collection could be monitored and recoverability could be ensured, in case unusual loanee's practice found, identify relevant potential risks/problems of the loanee and take corresponding suitable measures as possible. Golik Capital would also periodically conduct relevant checks for loanees and loanees' guarantors against periodical guidelines, notices and sanction lists (if any) circulated by the Hong Kong Companies Registry to ensure compliance with relevant requirements and regulations under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong.

### Ageing Analysis of the Outstanding Loans

Net loan receivables with ageing analysis presented below per maturity dates:

	2025 HK\$'000	2024 HK\$'000
Not due yet	3,346	3,452
Overdue	–	–
	<b>3,346</b>	<b>3,452</b>

The procedure performed by the Group in calculating the expected credit loss are disclosed in note 39.

## 25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates from 1.10% to 3.35% (2024: 1.70% to 4.36%).

Details of the impairment assessment of cash and cash equivalents are set out in note 39.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 26. TRADE, BILLS AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	253,195	275,594
Accruals	179,821	120,540
Deposits received	10,609	14,673
Other payables	25,665	20,331
	<b>469,290</b>	<b>431,138</b>

The following is an aged analysis of trade payables presented based on the invoice date.

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	206,245	196,585
31 – 60 days	32,527	56,465
61 – 90 days	5,424	14,253
91 – 120 days	2,805	4,429
More than 120 days	6,194	3,862
	<b>253,195</b>	<b>275,594</b>

The credit period on purchases of goods ranges from 30 to 120 days.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 27. PROVISION FOR ONEROUS CONTRACTS

The Group has recognised a provision for certain onerous long-term concrete supply contracts entered into during the year. These contracts were undertaken in response to intense price competition in the Hong Kong construction market, where competitors have offered significantly lower concrete prices to secure volume and customer relationships. The provision represents the present value of the expected net outflow under these contracts, being the excess of unavoidable costs over expected economic benefits.

The provision is measured at the net cost of fulfilling the contract, determined as contract revenue less directly attributable costs. These costs include projected material costs and production costs, together with any other costs that relate directly to fulfilling the contracts, such as an allocation of depreciation for property, plant and equipment used in the process.

Before recognising the provision, the Group tested for impairment of any assets dedicated to fulfilling these contracts.

Movements in the provision during the year are as follows:

	HK\$'000
At 1st January, 2024 and 31st December, 2024	–
Provision recognised during the year	55,800
At 31st December, 2025	55,800

The provision is expected to be utilised over the remaining contract periods ranging from 1 to 5 years.

## 28. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Metal products	17,888	17,520
Building construction materials	8,025	3,888
	<b>25,913</b>	21,408

As at 1st January, 2024, contract liabilities amounted to HK\$21,101,000.

All the contract liabilities at the beginning of 2025 and 2024 were recognised as revenue in the relevant years upon the satisfaction of performance obligation, i.e. the delivery of goods to the customer.

When the Group receives advance payment from customers, this gives rise to contract liabilities at the start of a contract, which will be recognised as revenue upon the satisfaction of the related performance obligation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 29. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
<b>Lease liabilities payable:</b>		
Within one year	<b>27,392</b>	23,146
Within a period of more than one year but not exceeding two years	<b>21,453</b>	20,834
Within a period of more than two years but not exceeding five years	<b>40,899</b>	29,417
Within a period of more than five years	<b>75,848</b>	96,119
	<b>165,592</b>	169,516
Less: Amount due for settlement within 12 months shown under current liabilities	<b>(27,392)</b>	(23,146)
Amount due for settlement after 12 months shown under non-current liabilities	<b>138,200</b>	146,370

The weighted average incremental borrowing rates applied to lease liabilities range from 1.84% to 5.81% (2024: from 1.82% to 6.38%).

## 30. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

The amounts are unsecured, interest-free and are repayable on demand.

## 31. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Trust receipt loans under supplier finance arrangements	<b>403,809</b>	483,187
Bank borrowings	<b>41,032</b>	53,546
	<b>444,841</b>	536,733
Analysed as:		
Unsecured	<b>444,841</b>	536,733

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 31. BANK BORROWINGS (continued)

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	2025 HK\$'000	2024 HK\$'000
The carrying amounts of bank borrowings are repayable		
Within one year	10,800	33,395
Within a period of more than one year but not exceeding five years	28,017	38,009
	<b>38,817</b>	71,404
The carrying amounts of bank borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable		
Within one year	406,024	465,329
	<b>444,841</b>	536,733
Less: Amount due within one year shown under current liabilities	<b>(416,824)</b>	(498,724)
	<b>28,017</b>	38,009

### Bank loans under supplier finance arrangements

The Group has entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay the suppliers the amounts owed by the Group. The Group's obligations to the suppliers are legally extinguished on settlement by the relevant banks. The Group then settles the amounts with the banks between 150 and 270 days after the banks' settlement, at interest rates ranging from 3.65% to 4.62% (2024: 4.95% to 5.79%) per annum. These arrangements extend the payment terms, which may exceed the original due dates of the respective invoices. The interest rates are consistent with the Group's short-term borrowing rates.

Information on the Group's supplier finance arrangements is set out in note 44.

The exposure of the Group's borrowings are as follows:

Denominated in	Interest rate per annum	2025 HK\$'000	2024 HK\$'000
HK\$	Hong Kong Interbank Offered Rate ("HIBOR") plus 0.80% to 1.30% (2024: HIBOR plus 0.80% to 1.30%) per annum	441,519	530,254
RMB	Fixed rate ranging from 3.65% to 3.75% (2024: ranging from 3.75% to 3.85%) per annum	3,322	6,479
		<b>444,841</b>	536,733

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 32. SHARE CAPITAL OF THE COMPANY

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1st January, 2024, 31st December, 2024 and 31st December, 2025	1,800,000,000	180,000
Issued and fully paid:		
At 1st January, 2024, 31st December, 2024 and 31st December, 2025	574,378,128	57,438

## 33. SHARE OPTION SCHEME

During the year ended 31st December, 2025, the Company's share option scheme (the "Scheme") was adopted pursuant to the ordinary resolution passed on 14th June, 2024.

### Summary of the Scheme

- a. The primary purpose of the Scheme is to provide incentives or rewards to the Participants (as defined below) thereunder for their contribution to the Group and any entity in which the Group holds any equity interest ("Invested Entity") and/or to enable the Group and an Invested Entity to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any Invested Entity.
- b. The directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants ("Participant(s)"), to take up options to subscribe for shares of HK\$0.10 each in the share capital of the Company ("Shares").

Under share option scheme, the Participants include:

- (i) full-time or part-time employee participants; and
  - (ii) related entity participants who, in the sole opinion of the Board, will or has contributed to the Company and/or any of its Subsidiaries.
- c. The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Scheme and any other share option scheme of the Company) to be granted under the Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Scheme. The Company can grant options to subscribe up to 57,437,812 (2024: 57,437,812) Shares which is 10% of the total issued Shares of the Company as at the date of approval of the limit. Under share option scheme, the maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the issued Shares of the Company from time to time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 33. SHARE OPTION SCHEME *(continued)*

### Summary of the Scheme *(continued)*

- d. The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option scheme of the Company (including both exercised or outstanding options) to each Participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being.
- e. An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the directors to each grantee, which period may commence on the date on which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.
- f. An offer of grant of an option may be accepted by a Participant within 14 days from the date of the offer of grant of the option. A consideration of HK\$1 is payable on acceptance of the offer of grant of an option.
- g. The subscription price per Share under the Scheme shall be a price determined by the directors, but shall not be lower than the highest of:
  - (i) the closing price of the Share as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a trading day;
  - (ii) the average closing price of the Share as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and
  - (iii) the nominal value of a Share.
- h. For the years ended 31st December, 2025 and 2024, total number of Shares available for issue under the Scheme was 57,437,812 Shares, representing 10% of the total issued Shares of the Company at 31st December, 2025 and 2024 (excluding treasury shares, if any).
- i. Minimum vesting period for the options granted under the Scheme shall be 12 months from the issue date and/or dates with respective grantee's offer document(s), a shorter vesting period may also be considered to be granted to eligible participant(s) at discretion of the Board.
- j. The Scheme approved by the Company on 14th June, 2024 has a life period of 10 years of which shall be expired on 13th June, 2034, remaining life of the Scheme from the year ended 31st December, 2025 shall have approximately 8 years (2024: 9 years).

No share option has been granted since the adoption of the Scheme.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 34. DEFERRED TAX

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK\$'000	Tax losses HK\$'000	Withholding tax on undistributed profits in Chinese Mainland HK\$'000	Right-of- use assets HK\$'000	Lease liabilities HK\$'000	Others HK\$'000	Total HK\$'000
At 1st January, 2024	(17,160)	6,738	(17,260)	(20,411)	20,411	490	(27,192)
Credited (charged) to profit or loss	794	(1,175)	(1,400)	(2,505)	2,505	-	(1,781)
At 31st December, 2024	(16,366)	5,563	(18,660)	(22,916)	22,916	490	(28,973)
Credited (charged) to profit or loss	799	(799)	(2,000)	204	(204)	-	(2,000)
<b>At 31st December, 2025</b>	<b>(15,567)</b>	<b>4,764</b>	<b>(20,660)</b>	<b>(22,712)</b>	<b>22,712</b>	<b>490</b>	<b>(30,973)</b>

At the end of the reporting period, the Group has unused tax losses of approximately HK\$518,313,000 (2024: HK\$603,149,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$28,873,000 (2024: HK\$33,715,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately of HK\$489,440,000 (2024: HK\$569,434,000) due to the unpredictability of future profit streams.

All unused tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of HK\$104,322,000 (2024: HK\$76,207,000) mainly related to impairment loss recognised on property, plant and equipment, write-down of inventories and impairment losses under ECL model. A deferred tax asset has been recognised in respect of HK\$3,370,000 (2024: HK\$3,370,000) of such deductible temporary differences. No deferred tax asset has been recognised in respect of the remaining HK\$100,952,000 (2024: HK\$72,837,000) as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

## 35. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	8,255	2,263

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 36. RETIREMENT BENEFITS SCHEMES

The Group participates in a defined contribution scheme which is registered under a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of independent trustees.

For members of the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a monthly cap of HK\$1,500.

Employees located in Chinese Mainland are covered by the retirement and pension schemes defined by local practice and regulations and which are essentially defined contribution schemes.

During the year, the Group made retirement benefits scheme contributions of HK\$14,107,000 (2024: HK\$13,242,000).

### **Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)**

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

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

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

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

The Amendment Ordinance was gazetted on 17th June, 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition officially took effect on the Transition Date (i.e., 1st May, 2025). Separately, the Government of the HKSAR has also introduced a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has impact on the Group's LSP liability with respect to employees that participate in MPF Scheme and the Group has accounted for the offsetting mechanism and its abolition, in accordance with the accounting policies disclosed in note 3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 37. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions with a related party:

Relationship	Nature of transactions	2025 HK\$'000	2024 HK\$'000
An associate	Expense relating to short-term leases	14,302	13,999
	Interest income	291	449
Non-controlling interest	Service fee	1,807	–

### Compensation of key management personnel

The Group's key management personnel are all executive directors of the Company, details of their remuneration are disclosed in note 12. Their remuneration is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 38. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes the bank borrowings disclosed in note 31, net of cash and cash equivalents, and equity attributable to shareholders of the Company, comprising share capital, share premium, reserves and retained profits and non-controlling interests. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The directors of the Company review the capital structure periodically. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the repayment of existing debt, if necessary.

## 39. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets</b>		
Amortised cost	1,651,114	1,350,718
Financial assets at FVTPL	7,589	7,409
Equity instrument at FVTOCI	27	61
<b>Financial liabilities</b>		
Amortised cost	882,006	946,458
Lease liabilities	165,592	169,516

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade, bills, loan and other receivables, rental deposits, amount due from an associate, equity instrument at FVTOCI, insurance policy assets, bank balances and cash, trade, bills and other payables, bank borrowings, lease liabilities and amounts due to non-controlling shareholders. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (i.e. currency risk, interest rate risk and other price risk), credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

#### **Market risk**

##### *Currency risk*

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets, monetary liabilities and intra-group balances at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
United States dollars ("US\$")	36,900	16,865	134,890	119,746
RMB	319	255	167	167
Others	27	73	–	1,096
Intra-group balances				
HK\$	–	–	8,525	17,875
RMB	2,641	3,559	–	–

#### Sensitivity analysis

The directors consider that the Group's exposure to HK\$ against US\$ is limited, as HK\$ is pegged to US\$. The Group is primarily exposed to currency risks arising from RMB against HK\$ and US\$; and HK\$ against RMB.

The following table details the Group's sensitivity to a 5% (2024: 5%) increase in the functional currencies of the relevant group entities against the foreign currencies. 5% (2024: 5%) is the sensitivity rate used in the management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjusts their translation at the year end for a 5% (2024: 5%) change in foreign currency rates. A positive number indicates an increase in profit for the year where the functional currencies of the relevant group entities strengthen against the relevant foreign currencies. For a 5% (2024: 5%) weakening of the functional currencies of the relevant group entities, there would be an equal and opposite impact on the profit for the year and the amount below would be negative.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

**Market risk** *(continued)*

Currency risk *(continued)*

Sensitivity analysis *(continued)*

	Profit for the year	
	2025 HK\$'000	2024 HK\$'000
<b>Foreign currencies</b>		
HK\$	320	670
US\$	(1,014)	(53)
RMB	(117)	(152)

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent exchange risk as the year end exposure does not reflect the exposure during the relevant years.

#### *Interest rate risk*

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivables (note 24), lease liabilities (note 29), and bank borrowings (note 31). The Group is also exposed to cash flow interest rate risk in relation to the fluctuation of the prevailing market interest rate on insurance policy assets (note 22), variable-rate bank balances (note 25), amount due from an associate with variable interest rate (note 20) and bank borrowings (note 31). The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and variable rates and ensure they are within reasonable range.

#### *Sensitivity analysis*

Sensitivity analysis on insurance policy assets and bank balances is not presented as the management considers that the Group's exposure to interest rate fluctuation is insignificant. The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings and amount due from an associate. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was existed for the whole year. A 50 (2024: 50) interest rate benchmark reform basis points increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 (2024: 50) basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31st December, 2025 would have decreased/increased by HK\$1,828,000 (2024: HK\$2,166,000).

#### *Other price risk*

The Group is exposed to equity price risk through its investments in listed equity securities and fair value changes on insurance policy assets.

The Group's equity price risk is mainly concentrated on equity instruments quoted in the Frankfurt Stock Exchange. The management closely monitors the price risk and will consider hedging the risk exposure should the need arise. The management considers the exposure of other price risk for its equity investment is not significant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Market risk** *(continued)*

#### *Other price risk (continued)*

#### Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective equity instruments had been 5% (2024: 5%) higher/lower, the other comprehensive income for the year ended 31st December, 2025 would increase/decrease by approximately HK\$1,000 (2024: HK\$3,000) as a result of the changes in fair value of equity instrument at FVTOCI.

#### **Credit risk and impairment assessment**

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade, bills, loan and other receivables, amount due from an associate and cash and cash equivalents.

As at 31st December, 2025 and 2024, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loans receivables is mitigated because they are secured over motor vehicles and settlement of certain trade receivables are backed by bills issued by financial institutions.

#### *Trade receivables arising from contracts with customers/bills receivables*

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed and approved once a year by the risk management committee. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed bills is insignificant. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk and impairment assessment** *(continued)*

##### *Trade receivables arising from contracts with customers/bills receivables (continued)*

In addition, the Group performs impairment assessment under ECL model on trade receivables with balances that are credit-impaired individually. Except for trade debtors with balances that are credit-impaired, which are assessed for impairment individually, the remaining trade and bills receivables are assessed using collective assessment with reference to loss patterns as reflected in the debtors' historical payment pattern taking into consideration of quantitative, qualitative and forward-looking information that is reasonable and supportable available without undue cost or effort. A reversal of impairment of HK\$2,469,000 (2024: impairment of HK\$7,749,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

##### *Loan receivables*

The directors of the Company estimate the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collaterals pledged to the loan receivables. Based on assessment by the directors of the Company, the loss given default is low in view of the estimated realised amount of ultimate disposal of the collaterals. No loss allowance is recognised during the year ended 2025 and 2024. Details of the quantitative disclosures are set out below in this note.

##### *Other receivables and rental deposits*

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL, except for balances that are credit-impaired, which are assessed individually. A reversal of loss allowance amounted to HK\$5,000 (2024: HK\$4,797,000) is recognised during the year.

##### *Amount due from an associate*

The directors review the recoverable amount at the end of reporting period to ensure that adequate impairment losses under ECL model are made for irrecoverable amounts. As at 31st December, 2025, the Group assessed the ECL for amount due from an associate and a reversal of loss allowance amounted to HK\$1,847,000 (2024: HK\$2,250,000) is recognised during the year.

##### *Bank balances*

The credit risks on bank balances are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Therefore, the credit rating is considered to be low credit risk and the impairment loss under ECL model is measured on 12m ECL basis. For the year ended 31st December, 2025 and 2024, the Group assessed the ECL for bank balances and bills receivables were insignificant and thus no loss allowance was recognised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk and impairment assessment** *(continued)*

##### *Bank balances (continued)*

The Group has concentration of credit risk as 23% (2024: 25%) and 62% (2024: 63%) of the total bank balances was arising from Group's largest bank and the top three banks respectively.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ bills receivables	Other financial assets
Low risk	The counterparty has a low risk of default and frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk and impairment assessment** *(continued)*

##### *Bank balances (continued)*

The table below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

Financial assets at amortised cost	Notes	External credit rating	Internal credit rating	12m ECL or lifetime ECL	2025 Gross carrying amount		2024 Gross carrying amount	
					HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade and bills receivables	24	N/A	(Note 2)	Lifetime ECL – collective assessment	822,741		731,234	
				Loss	56,182	878,923	61,799	793,033
Amount due from an associate	20	N/A	Doubtful	Lifetime ECL – not credit-impaired	6,983	6,983	11,488	11,488
Loan receivables	24	N/A	Low risk	12m ECL	3,346		3,452	
				Loss	550	3,896	550	4,002
Other receivables and rental deposits	24	N/A	(Note 3)	12m ECL	23,934		18,815	
				Loss	10,887	34,821	10,765	29,580
Bank balances	25	(Note 1)	N/A	12m ECL	805,620	805,620	599,490	599,490

Notes:

- The external credit ratings range from Aa1 to Baa2 quoted from the rating scale of an international credit rating agency.
- For trade and bills receivables, the Group has applied the simplified approach in HKFRS 9 to measure the impairment loss at lifetime ECL. Except for trade receivables with balances that are credit-impaired, the Group determines the ECL on these items collectively based on loss patterns as reflected in the debtors' historical payment pattern.
- For other receivables and rental deposits, except for balances that are credit-impaired, the Group considers the exposure of credit risk is low because counterparties have no historical default record and the directors expect that the general economic conditions will not significantly changed for the 12 months after the reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk and impairment assessment** *(continued)*

##### *Collective assessment – internal credit rating*

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade and bills receivables which are assessed based on a collective basis within lifetime ECL (not credit-impaired). Debtors with balances that are credit-impaired with gross carrying amounts of HK\$56,182,000 as at 31st December, 2025 (2024: HK\$61,799,000) were assessed individually.

#### **Gross carrying amount**

	2025		2024	
	Average loss rate	Trade receivables HK\$'000	Average loss rate	Trade receivables HK\$'000
Internal credit rating				
Low risk	0.987%	822,741	0.885%	731,234

The estimated loss rates are estimated with reference to loss patterns as reflected in the debtors' historical payment pattern taking into consideration of quantitative, qualitative and forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management to ensure relevant information about specific debtors is updated.

As at 31st December, 2025, the Group provided HK\$8,122,000 (2024: HK\$6,471,000) impairment allowance for trade and bill receivables based on collective assessment, and loss allowance of HK\$56,182,000 (2024: HK\$61,799,000) were made on debtors with significant balances that are credit-impaired.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk and impairment assessment** *(continued)*

##### *Trade and bills receivables*

The following table shows the movement in lifetime ECL that has been recognised for trade and bills receivables.

	<b>Lifetime ECL (not credit- impaired) HK\$'000</b>	<b>Lifetime ECL (credit- impaired) HK\$'000</b>	<b>Total HK\$'000</b>
As at 1st January, 2024	5,614	55,310	60,924
Changes due to financial instruments recognised as at 1st January, 2024:			
– Transfer to credit-impaired	(10)	10	–
– Impairment losses recognised	–	5,731	5,731
– Impairment losses reversed	(5,604)	(13,311)	(18,915)
New financial assets originated			
– With gross carrying amount of HK\$740,398,000	6,516	14,417	20,933
Exchange realignments	(45)	(358)	(403)
As at 31st December, 2024	6,471	61,799	68,270
Changes due to financial instruments recognised as at 1st January, 2025:			
– Transfer to credit-impaired	(2)	2	–
– Impairment losses recognised	–	2,329	2,329
– Impairment losses reversed	(6,446)	(7,277)	(13,723)
– Write-offs	–	(1,877)	(1,877)
New financial assets originated			
– With gross carrying amount of HK\$818,155,000	8,021	904	8,925
Exchange realignments	78	302	380
<b>As at 31st December, 2025</b>	<b>8,122</b>	<b>56,182</b>	<b>64,304</b>

The Group writes off a trade and bills receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Trade and bills receivables written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk and impairment assessment** *(continued)*

*Trade and bills receivables (continued)*

Changes in the loss allowance for trade and bills receivables are mainly due to:

	31.12.2025		31.12.2024	
	Decrease in lifetime ECL		Decrease in lifetime ECL	
	Not credit-impaired HK\$'000	Credit-impaired HK\$'000	Not credit-impaired HK\$'000	Credit-impaired HK\$'000
Settlement in full of trade debtors with a gross carrying amount of HK\$745,513,000 (2024: HK\$934,800,000)	(6,446)	(7,277)	(5,604)	(13,311)

#### **Amount due from an associate**

The following tables show reconciliation of loss allowance that has been recognised for amount due from an associate.

	Lifetime ECL (not credit-impaired) HK\$'000
As at 1st January, 2024	4,097
Impairment losses reversed	(2,250)
As at 31st December, 2024	1,847
Impairment losses reversed	(1,847)
<b>As at 31st December, 2025</b>	<b>–</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk and impairment assessment** *(continued)*

##### *Other receivables*

The following tables show reconciliation of loss allowance that has been recognised for other receivables.

	<b>Lifetime ECL (credit- impaired) HK\$'000</b>
As at 1st January, 2024	21,434
Impairment loss reversed	(4,797)
Write-offs	(5,762)
Exchange difference	(110)
As at 31st December, 2024	10,765
Impairment loss reversed	(5)
Exchange difference	127
<b>As at 31st December, 2025</b>	<b>10,887</b>

#### **Loan receivables**

The following tables show reconciliation of loss allowance that has been recognised for loan receivables.

	<b>Lifetime ECL (credit- impaired) HK\$'000</b>
As at 1st January, 2024, 31st December, 2024 and 31st December, 2025	550

#### **Liquidity risk**

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. At the end of the reporting period, the Group has available unutilised short and long-term banking facilities of HK\$1,758,272,000 and HK\$12,289,000 (2024: HK\$1,842,123,000 and HK\$2,933,000) respectively. Details of which are set out in note 31.

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. The facilities for borrowings under supplier finance arrangement is entered into for a period of 150 days to 270 days. As at 31st December, 2025, the Group has available unutilised facilities for such supplier finance arrangement of HK\$1,484,191,000 (2024: HK\$1,160,633,000). As the facilities are offered by different financial providers, there is no concentration of liquidity risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that cash interest flows are based on variable rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period.

	Weighted average interest rate %	On demand or less than 3 months HK\$'000	4 to 12 months HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31.12.2025 HK\$'000
<b>2025</b>								
<b>Non-derivative instruments</b>								
Trade, bills and other payables	-	433,965	-	-	-	-	433,965	433,965
Bank borrowings								
– Fixed interest rate	3.68	3,343	-	-	-	-	3,343	3,322
– Variable interest rate	3.97	406,597	8,363	11,151	18,587	-	444,698	441,519
Amounts due to non-controlling shareholders	-	3,200	-	-	-	-	3,200	3,200
Lease liabilities	5.02	9,093	25,723	27,805	53,722	87,788	204,131	165,592
		<b>856,198</b>	<b>34,086</b>	<b>38,956</b>	<b>72,309</b>	<b>87,788</b>	<b>1,089,337</b>	<b>1,047,598</b>

	Weighted average interest rate %	On demand or less than 3 months HK\$'000	4 to 12 months HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31.12.2024 HK\$'000
<b>2024</b>								
<b>Non-derivative instruments</b>								
Trade, bills and other payables	-	406,525	-	-	-	-	406,525	406,525
Bank borrowings								
– Fixed interest rate	3.82	6,527	-	-	-	-	6,527	6,479
– Variable interest rate	5.43	463,443	30,706	11,516	30,711	-	536,376	530,254
Amounts due to non-controlling shareholders	-	3,200	-	-	-	-	3,200	3,200
Lease liabilities	5.21	8,573	22,589	27,651	55,657	100,107	214,577	169,516
		<b>888,268</b>	<b>53,295</b>	<b>39,167</b>	<b>86,368</b>	<b>100,107</b>	<b>1,167,205</b>	<b>1,115,974</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### *Liquidity risk (continued)*

Bank loans with a repayment on demand clause are included in the “on demand or less than 3 months” time band in the above maturity analysis. As at 31st December, 2025, the aggregate carrying amounts of these bank loans amounted to HK\$406,024,000 (2024: HK\$465,329,000). Taking into account the Group’s financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The management believes that such bank loans will be repaid within 1 year after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	<b>Maturity Analysis – Bank borrowings subject to a repayment on demand clause based on scheduled repayments</b>		
	<b>0 – 3 months HK\$'000</b>	<b>4 – 12 months HK\$'000</b>	<b>Total undiscounted cash outflows HK\$'000</b>
<b>31st December, 2025</b>	<b>286,564</b>	<b>122,830</b>	<b>409,394</b>
31st December, 2024	324,958	144,501	469,459

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

### (c) Fair value measurement of financial instruments

Some of the Group’s financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 39. FINANCIAL INSTRUMENTS *(continued)*

### (c) Fair value measurement of financial instruments *(continued)*

#### (i) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31.12.2025	31.12.2024			
Equity instrument at FVTOCI	Asset – HK\$27,000	Asset – HK\$61,000	Level 1	Quoted bid prices from a Frankfurt Stock Exchange	N/A
Insurance policy assets	Asset – HK\$7,589,000	Asset – HK\$7,409,000	Level 3	Quoted cash value from insurance contract vendors	Accounts value less surrender charges

There were no transfer between Level 1 and 3 during the year.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

## 40. MAJOR NON-CASH TRANSACTIONS

During the years ended 31st December, 2025, the Group entered into new and modified/terminated lease agreements and recognised HK\$20,260,000 (2024: HK\$31,256,000) of right-of-use assets and HK\$19,995,000 (2024: HK\$29,996,000) of lease liabilities respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank borrowings HK\$'000	Amounts due to non-controlling shareholders HK\$'000	Lease liabilities HK\$'000	Dividends payable HK\$'000	Interest payables (included in other payables) HK\$'000	Total HK\$'000
As at 1st January, 2024	906,133	3,200	167,122	–	2,090	1,078,545
Financing cash flows	(1,599,667)	(9,661)	(33,490)	(34,463)	(26,522)	(1,703,803)
Trust receipt loans under supply chain financing arrangements	1,231,577	–	–	–	–	1,231,577
Dividends declared to owners of the Company	–	–	–	34,463	–	34,463
Dividends declared to non-controlling interests	–	9,661	–	–	–	9,661
New lease entered/lease modified	–	–	29,996	–	–	29,996
Exchange difference	(1,310)	–	(2,984)	–	–	(4,294)
Interest expenses	–	–	8,872	–	25,382	34,254
<b>As at 31st December, 2024</b>	<b>536,733</b>	<b>3,200</b>	<b>169,516</b>	<b>–</b>	<b>950</b>	<b>710,399</b>
Financing cash flows	(1,248,198)	(12,289)	(35,990)	(37,335)	(13,404)	(1,347,216)
Trust receipt loans under supply chain financing arrangements	1,156,143	–	–	–	–	1,156,143
Dividends declared to owners of the Company	–	–	–	37,335	–	37,335
Dividends declared to non-controlling interests	–	12,289	–	–	–	12,289
New lease entered/lease modified	–	–	19,995	–	–	19,995
Exchange difference	163	–	3,362	–	–	3,525
Interest expenses	–	–	8,709	–	13,035	21,744
<b>As at 31st December, 2025</b>	<b>444,841</b>	<b>3,200</b>	<b>165,592</b>	<b>–</b>	<b>581</b>	<b>614,214</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 42. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

### General information of the principal subsidiaries

Name of subsidiaries	Form of business structure	Place of incorporation/ principal place of business	Issued and fully paid share capital/paid up registered capital	Proportion of ownership interest and voting rights held by the Group		Principal activities
				31.12.2025	31.12.2024	
Assure Medical Limited	Incorporated	Hong Kong	HK\$10,000,000 Ordinary shares	70%	70%	Operating a medical imaging diagnostic centre
Advance Concord Development Limited	Incorporated	Hong Kong	HK\$1,000,000 Ordinary shares	100%	100%	Property holding
China Rope Holdings Limited	Incorporated	Hong Kong	HK\$10,000 Ordinary shares HK\$18,162,854 Non-voting deferred shares	100%	100%	Investment holding
Fulwealth Metal Factory Limited	Incorporated	Hong Kong	HK\$20,000,000 Ordinary shares	100%	100%	Investment holding and operating a decoiling centre
Golik Capital Limited	Incorporated	Hong Kong	HK\$100,000 Ordinary shares	100%	100%	Money lending business
Golik Concrete Limited	Incorporated	Hong Kong	HK\$60,000,000 Ordinary shares	100%	100%	Investment holding and operating concrete batching plants
Golik Godown Limited	Incorporated	Hong Kong	HK\$2 Ordinary shares	100%	100%	Provision of warehouse services
Golik Metal Industrial Company Limited*	Incorporated	Hong Kong	HK\$1,765,000 Ordinary shares HK\$5,135,000 Non-voting deferred shares**	100%	100%	Investment holding and sales of metal products
Golik Metal Manufacturing Co. Limited	Incorporated	Hong Kong	HK\$30,000,000 Ordinary shares	100%	100%	Manufacturing and sales of reinforcing mesh and metal products, and reinforced bar processing
Golik Precast Limited	Incorporated	Hong Kong	HK\$10,000 Ordinary shares	100%	100%	Sales of concrete pipes and related products
Golik Steel (HK) Limited	Incorporated	Hong Kong	HK\$1,321,270,853 Ordinary shares	100%	100%	Investment and properties holding, sales of steel bars and construction materials and provision for handling services
Huizhou Golik New Materials Ltd.	Wholly foreign owned enterprise	Chinese Mainland	RMB8,000,000 Registered capital	100%	100%	Manufacturing and sales of concrete pipes and related products

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 42. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

### General information of the principal subsidiaries *(continued)*

Name of subsidiaries	Form of business structure	Place of incorporation/ principal place of business	Issued and fully paid share capital/paid up registered capital	Proportion of ownership interest and voting rights held by the Group		Principal activities
				31.12.2025	31.12.2024	
Jiangmen Golik Metal Manufacturing Co., Ltd.	Wholly foreign owned enterprise	Chinese Mainland	HK\$15,500,000 Registered capital	100%	100%	Manufacturing and sales of metal products
Supreme Enterprises, Limited	Incorporated	Hong Kong	HK\$82,636 Ordinary shares	100%	100%	Property investment
The Spacers & Bar Chairs Manufacturer Company Limited	Incorporated	Hong Kong	HK\$800,000 Ordinary shares	80%	80%	Manufacturing and sales of building construction materials
Tianjin Goldsun Wire Rope Ltd. ("TJ Goldsun")	Sino-foreign equity joint venture	Chinese Mainland	RMB60,000,000 Registered capital	70.5%	70.5%	Investment holding and manufacturing and sales of steel wire ropes for elevators and high-end wire rope products
鶴山恒基鋼絲製品有限公司	Wholly foreign owned enterprise	Chinese Mainland	US\$6,380,000 Registered capital	100%	100%	Manufacturing and sales of steel wire products and steel wire ropes
鶴山高力金屬製品有限公司	Sino-foreign equity joint venture	Chinese Mainland	US\$3,380,000 Registered capital	100%	100%	Manufacturing and sales of reinforcing mesh and metal products

\* Subsidiaries held directly by the Company.

\*\* The deferred shares, which are not held by the Group, practically carry no right to dividend or to receive notice of or to attend or vote at any general meeting of the respective company or to participate in any distribution on winding up except authorised by Articles of Association.

Note:

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 42. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

### General information of the principal subsidiaries *(continued)*

None of the subsidiaries had issued debt security at the end of the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2025	2024
Investment holding	The British Virgin Islands	5	5
Investment holding	Hong Kong	5	5
Inactive	Hong Kong	5	4
Inactive	Chinese Mainland	2	2
Others	Hong Kong	2	2
		<b>19</b>	<b>18</b>

### Details of non-wholly owned subsidiaries that have material non-controlling interests

Details of TJ Goldsun and its subsidiary ("TJ Goldsun Group"), non-wholly owned subsidiaries with material non-controlling interests, and other individually immaterial subsidiaries with non-controlling interests are set out below.

	2025 HK\$'000	2024 HK\$'000
Profit (loss) allocated to non-controlling interests of		
TJ Goldsun Group	28,932	27,947
Individually immaterial subsidiaries	(9,304)	(5,612)
	<b>19,628</b>	<b>22,335</b>
Accumulated non-controlling interests of		
TJ Goldsun Group	176,216	154,436
Individually immaterial subsidiaries	(33,881)	(23,577)
	<b>142,335</b>	<b>130,859</b>

Summarised financial information in respect of TJ Goldsun Group is set out below. The summarised financial information below represents the amounts before intragroup eliminations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 42. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

**Details of non-wholly owned subsidiaries that have material non-controlling interests** *(continued)*  
**TJ Goldsun Group**

	2025 HK\$'000	2024 HK\$'000
Current assets	617,489	501,131
Non-current assets	289,012	299,000
Current liabilities	(186,055)	(154,367)
Non-current liabilities	(121,390)	(122,111)
	<b>599,056</b>	523,653
Equity attributable to owners of the TJ Goldsun Group	422,840	369,217
Non-controlling interests	176,216	154,436
	<b>599,056</b>	523,653
	2025 HK\$'000	2024 HK\$'000
Revenue	881,584	810,138
Expenses	(783,508)	(715,402)
Profit for the year	98,076	94,736
Profit for the year attributable to:		
– Owners of TJ Goldsun Group	69,144	66,789
– Non-controlling interests	28,932	27,947
	<b>98,076</b>	94,736
Other comprehensive income (expense) attributable to:		
– Owners of TJ Goldsun Group	10,954	(7,139)
– Non-controlling interests	4,583	(2,987)
	<b>15,537</b>	(10,126)
Total comprehensive income for the year attributable to:		
– Owners of TJ Goldsun Group	80,098	59,650
– Non-controlling interests	33,515	24,960
	<b>113,613</b>	84,610
Dividend paid to non-controlling interests for the year	(12,289)	(9,661)
Net cash inflow from operating activities	130,239	140,867
Net cash outflow from investing activities	(8,879)	(38,708)
Net cash outflow from financing activities	(57,730)	(93,464)
Net cash inflow for the year	<b>63,630</b>	8,695

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 43. STATEMENT OF FINANCIAL POSITION, CAPITAL AND RESERVES OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
<b>Non-current Assets</b>		
Property, plant and equipment	155	349
Right-of-use assets	9,664	3,544
Investments in subsidiaries	489,486	489,486
Amounts due from subsidiaries	68,905	51,614
Equity instrument at FVTOCI	27	61
Insurance policy assets	3,741	3,649
Rental deposits	984	332
	<b>572,962</b>	549,035
<b>Current Assets</b>		
Deposits, prepayment and other receivables	1,796	1,980
Amounts due from subsidiaries	408,171	323,073
Cash and cash equivalents	3,613	6,485
	<b>413,580</b>	331,538
<b>Current Liabilities</b>		
Accruals and other payables	8,014	6,830
Amounts due to subsidiaries	79,506	41,090
Lease liabilities	4,766	2,862
Financial guarantee contracts liabilities	4,215	2,819
	<b>96,501</b>	53,601
<b>Net Current Assets</b>	<b>317,079</b>	277,937
	<b>890,041</b>	826,972
<b>Capital and Reserves</b>		
Share capital	57,438	57,438
Share premium and reserves	827,603	768,816
<b>Total Equity</b>	<b>885,041</b>	826,254
<b>Non-current Liability</b>		
Lease liabilities	5,000	718
	<b>890,041</b>	826,972

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 43. STATEMENT OF FINANCIAL POSITION, CAPITAL AND RESERVES OF THE COMPANY

(continued)

### Movement in the Company's reserves

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	FVTOCI reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January, 2024	57,438	323,195	65,891	13	314,195	760,732
Profit for the year	–	–	–	–	99,937	99,937
<b>Other comprehensive income for the year</b>						
Fair value gain on equity instrument at FVTOCI	–	–	–	48	–	48
Total comprehensive income for the year	–	–	–	48	99,937	99,985
Dividends paid to the owners of the Company	–	–	–	–	(34,463)	(34,463)
At 31st December, 2024	57,438	323,195	65,891	61	379,669	826,254
Profit for the year	–	–	–	–	96,156	96,156
<b>Other comprehensive expense for the year</b>						
Fair value loss on equity instrument at FVTOCI	–	–	–	(34)	–	(34)
Total comprehensive (expense) income for the year	–	–	–	(34)	96,156	96,122
Dividends paid to the owners of the Company	–	–	–	–	(37,335)	(37,335)
<b>At 31st December, 2025</b>	<b>57,438</b>	<b>323,195</b>	<b>65,891</b>	<b>27</b>	<b>438,490</b>	<b>885,041</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2025

## 44. INFORMATION OF SUPPLIER FINANCE ARRANGEMENTS

The details of the Group's supplier finance arrangements are set out in note 31.

	<b>31.12.2025</b>	31.12.2024	1.1.2024
	<b>HK\$'000</b>	HK\$'000	HK\$'000
<b>Carrying amount of the financial liabilities that are subject to supplier finance arrangements</b>			
Presented as part of "Bank borrowings" (note 31)	<b>403,809</b>	483,187	844,888
– Of which suppliers have already received payment from the finance provider	<b>403,809</b>	483,187	N/A
	<b>31.12.2025</b>	31.12.2024	1.1.2024
	<b>Days</b>	Days	Days
<b>Range of payment due dates</b>			
For liabilities presented as part of "Bank borrowings":			
– Liabilities that are part of supplier finance arrangements	<b>150 – 270</b>	150 – 270	N/A
– Comparable trade payables that are not part of supplier finance arrangements	<b>30 – 120</b>	30 – 120	N/A

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. During the year, borrowings under supplier finance arrangement of HK\$1,156,143,000 (2024: HK\$1,231,577,000) represent the payments to the suppliers by the relevant banks directly. There were no other material non-cash changes in these liabilities.