

TR EXAMPLE GROUP

Update for HKFRS 18

For the year ended 31 December 2025

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Appendix 1 – Replacement for “Consolidated statement of profit or loss”

The below presented Consolidated statement of profit or loss should be used to replace the statement of profit or loss presented within the Content Model for 2025.

Consolidated statement of profit or loss for the year ended 31 December 2025

	Notes	2025 \$000	2024 \$000 Restated (Note 2.4, 2.5)
Continuing operations			
Revenue from contracts with customers	4,5	179,058	159,088
Cost of sales	5	(136,366)	(127,946)
Gross profit		42,962	31,142
Other individually immaterial operating income	5, 13.1	2,435	2,548
Research and development expenses	3, 13.6	(2,235)	(1,034)
Selling expenses	3, 5	(9,940)	(8,875)
Distribution expenses	3, 5	(4,009)	(4,041)
Administrative expenses	5, 13.8	(16,177)	(11,420)
Foreign exchange differences	13.7	(302)	(206)
Other individually immaterial operating expenses	5, 13.2	(2,248)	(53)
Operating profit		10,216	8,061
Share of profit of an associate and a joint venture	10,11	671	638
Rental income	19	1,404	1,377
Foreign exchange differences on cash and short-term deposits	13.7	270	254
Change in fair value of investment properties	19	(306)	(300)
Other individually immaterial income from investments	13.3	243	144
Profit before financing and income taxes		12,498	10,174
Interest expenses on loans and borrowings	22	(1,036)	(1,020)
Interest expenses on other liabilities	13.4	(431)	(341)
Foreign exchange differences on interest-bearing loans and borrowings	13.7	57	67
Profit before income tax		11,088	8,880
Income tax expense	15	(3,092)	(2,233)
Profit from continuing operations		7,996	6,647
Discontinued operations			
Profit/(loss) after tax from discontinued operations	14	220	(188)
Profit		8,216	6,459

Consolidated statement of profit or loss (continued)
for the year ended 31 December 2025

		2025	2024
	Notes	\$000	\$000
			Restated
			(Note 2.4, 2.5)
Attributable to:			
Equity holders of the parent		7,928	6,220
Non-controlling interests		288	239
		8,216	6,459
▶ Earnings per share	17		
▶ Basic, profit for the year attributable to ordinary equity holders of the parent		HK\$0.38	HK\$0.33
▶ Diluted, profit for the year attributable to ordinary equity holders of the parent		HK\$0.38	HK\$0.32
Earnings per share for continuing operations	17		
▶ Basic, profit from continuing operations attributable to ordinary equity holders of the parent		HK\$0.37	HK\$0.34
▶ Diluted, profit from continuing operations attributable to ordinary equity holders of the parent		HK\$0.37	HK\$0.33

_____, Director 1

_____, Director 2

XX January 202X

Appendix 2 – Replacement for “Consolidated statement of comprehensive income”

The below presented Consolidated statement of comprehensive income should be used to replace the statement of comprehensive income presented within the Content Model for 2025.

		2025	2024
		HK\$'000	HK\$'000
	Notes		<i>Restated</i> (Note 2.5)
Profit		8,216	6,459
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net gain on hedge of a net investment	22.3	195	-
Exchange differences on translation of foreign operations	22.3,26	(246)	(117)
Net gain/(loss) on cash flow hedges	22.3,26	(618)	24
Net change in costs of hedging	22.3,26	(22)	-
Net loss on debt instruments at fair value through other comprehensive income	22.3,26	(15)	(1)
Share of other comprehensive loss of an associate	11	(30)	-
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(736)	(94)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	26	(18)	7
Remeasurement gain/(loss) on defined benefit plans	33	257	(273)
Revaluation of office properties in <insert country>	18	592	-
Share of other comprehensive income of an associate	11	30	-
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		861	(266)
Other comprehensive income/(loss), net of tax		125	(360)
Total comprehensive income, net of tax		8,341	6,099
Attributable to:			
Equity holders of the parent		8,053	5,860
Non-controlling interests		288	239
		8,341	6,099

Appendix 3 – Replacement for “Consolidated statement of financial position”

The below presented Consolidated statement of financial position should be used to replace the statement of financial position presented within the Content Model for 2025.

Consolidated statement of financial position as at 31 December 2025				
	Notes	2025 \$000	2024 \$000 Restated (Note 2.5)	As at 1 January 2024 \$000 Restated (Note 2.5)
Assets				
Non-current assets				
Property, plant and equipment	5, 18	32,979	24,329	18,940
Investment properties	5, 19	8,893	7,983	7,091
Intangible assets	5, 20	3,738	2,211	1,995
Goodwill	20	2,281	250	119
Right-of-use assets	5, 32	2,908	2,732	2,915
Investment in an associate and a joint venture	10, 11	3,187	2,516	1,878
Other individually immaterial financial assets	22	3,761	2,816	2,273
Deferred tax assets	15	389	365	321
		58,136	43,202	35,532
Current assets				
Inventories	23	26,027	23,830	24,296
Right of return assets	4	1,124	929	856
Trade receivables	4, 22, 24	25,672	22,290	25,537
Contract assets	4, 22, 24	4,541	5,180	3,450
Prepayments		244	165	226
Other individually immaterial financial assets	22	551	153	137
Cash and short-term deposits	25	17,528	14,916	11,066
		75,687	67,463	65,568
Assets held for sale	14	13,554	-	-
		89,241	67,463	65,568
Total assets		147,377	110,665	101,100
Equity and liabilities				

Consolidated statement of financial position (continued)
as at 31 December 2025

			As at 1
		2025	January
	Notes	\$000	2024
			\$000
			Restated
			(Note 2.5)
			(Note 2.5)
Equity			
Issued capital	26	26,160	18,814
Other individually immaterial capital reserves	26	1,171	864
Retained earnings		31,622	25,929
Other individually immaterial components of equity		(642)	(505)
Reserves of a disposal group held for sale	14	46	-
Equity attributable to equity holders of the parent		58,357	45,102
Non-controlling interests		2,410	740
Total equity		60,767	40,552
Non-current liabilities			
Interest-bearing loans and borrowing	22	22,147	23,313
Other individually immaterial financial liabilities	22	806	-
Decommissioning provisions	28	1,221	-
Restructuring provisions	28	547	-
Other individually immaterial provisions	28	130	19
Government grants	29	3,300	1,400
Contract liabilities	4, 30	2,962	888
Net employee defined benefit liabilities	33	3,050	2,977
Deferred tax liabilities	15	2,454	607
		36,617	29,204
Current liabilities			
Trade, other and related party payables	31	16,969	20,023
Contract liabilities	4, 30	2,880	2,486
Refund liabilities	4	6,242	5,844
Interest-bearing loans and borrowings	22	2,832	3,142
Other individually immaterial financial liabilities	22	2,953	254
Dividends payable	27	410	-
Restructuring provisions	28	305	-
Other individually immaterial provisions	28	617	156
Government grants	29	149	151
Income tax payable		3,511	3,563
		36,868	35,619
Liabilities directly associated with the assets held for sale	14, 22.6	13,125	-
		49,993	35,619
Total liabilities		86,610	64,823
Total equity and liabilities		147,377	101,100

Appendix 4 – Replacement for “Consolidated statement of changes in equity”

The below presented Consolidated statement of changes in equity should be used to replace the statement of changes in equity presented within the Content Model for 2025.

Consolidated statement of changes in equity for the year ended 31 December 2025

	Attributable to the equity holders of the parent						
	Issued capital (Note 26)	Other-individually immaterial capital reserves (Note 26)	Retained earnings	Cash flow hedge reserve	Cost of hedging reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve
As at 1 January 2025	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Effect of adoption of HKFRS XX	18,814	864	25,929	(70)	-	9	(444)
As at 1 January 2025	18,814	864	25,929	(70)	-	9	(444)
Profit for the period	-	-	7,928	-	-	-	-
Other comprehensive income (Note 26)	-	-	257	(618)	(22)	(33)	(51)
Total comprehensive income	-	-	8,185	(618)	(22)	(33)	(51)
Depreciation transfer for office properties in <insert country>	-	-	80	-	-	-	-
Discontinued operations (Note 14)	-	-	-	-	-	(46)	-
Issue of share capital (Note 26)	7,203	-	-	-	-	-	-
Exercise of options (Note 26)	175	-	-	-	-	-	-
Share based payments (Note 34)	-	307	-	-	-	-	-
Transaction costs related to issue of share capital (Note 8)	(32)	-	-	-	-	-	-
Cash dividends (Note 9, 27)	-	-	(2,389)	-	-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	7	-	-	(7)	-
Transfer of cash flow hedge reserve to inventories	-	-	-	126	2	-	-
Acquisition of a subsidiary (Note 8)	-	-	-	-	-	-	-
Acquisition of non-controlling interests (Note 8)	-	-	(190)	-	-	-	-
At 31 December 2025	26,160	1,171	31,622	(562)	(20)	(77)	(495)

Consolidated statement of changes in equity (continued)
for the year ended 31 December 2025

As at 1 January 2025

Effect of adoption of HKFRS XX

As at 1 January 2025

Profit for the period

Other comprehensive income (Note 26)

Total comprehensive income

Depreciation transfer for office properties in <insert country>

Discontinued operations (Note 14)

Issue of share capital (Note 26)

Exercise of options (Note 26)

Share based payments (Note 34)

Transaction costs related to issue of share capital (Note 8)

Cash dividends (Note 9, 27)

Transfer of fair value reserve of equity instruments designated at FVOCI

Transfer of cash flow hedge reserve to inventories

Acquisition of a subsidiary (Note 8)

Acquisition of non-controlling interests (Note 8)

At 31 December 2025

Attributable to the equity holders of the parent

Asset revaluation surplus	Reserve of disposal group held for sale	Total	Non- controlling interests	Total equity
\$000	\$000	\$000	\$000	\$000
-	-	45,102	740	45,842
-	-	-	-	-
-	-	45,102	740	45,842
-	-	7,928	288	8,216
592	-	125	-	125
592	-	8,053	288	8,341
(80)	-	-	-	-
-	46	-	-	-
-	-	7,203	-	7,203
-	-	175	-	175
-	-	307	-	307
-	-	(32)	-	(32)
-	-	(2,389)	(30)	(2,419)
-	-	-	-	-
-	-	128	-	128
-	-	-	1,547	1,547
-	-	(190)	(135)	(325)
512	46	58,357	2,410	60,767

Consolidated statement of changes in equity (continued)
for the year ended 31 December 2025

	Attributable to the equity holders of the parent						
	Issued capital (Note 26)	Other- individually immaterial capital reserves (Note 26)	Retained earnings	Cash hedge reserve	Cost flowhedging reserve	Fair reserve offinancial assets FVOCI	value ofForeign currency attranslation reserve
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
As at 1 January 2024	18,614	566	22,282	(94)	-	3	(327)
Adjustment on correction of error (net of tax) (Note 2.5)	-	-	(700)	-	-	-	-
As at 1 January 2024 (restated)	18,614	566	21,582	(94)	-	3	(327)
Profit for the period	-	-	6,220	-	-	-	-
Other comprehensive income (Note 26)	-	-	(273)	24	-	6	(117)
Total comprehensive income	-	-	5,947	24	-	6	(117)
Exercise of options (Note 26)	200	-	-	-	-	-	-
Share based payments (Note 34)	-	298	-	-	-	-	-
Dividends (Note 27)	-	-	-	-	-	-	-
At 31 December 2024	18,814	864	25,929	(70)	-	9	(444)

Consolidated statement of changes in equity (continued)
for the year ended 31 December 2024

As at 1 January 2024

Adjustment on correction of error (net of tax) (Note 2.5)

As at 1 January 2024 (restated)

Profit for the period

Other comprehensive income (Note 26)

Total comprehensive income

Exercise of options (Note 26)

Share based payments (Note 34)

Dividends (Note 27)

Non-controlling interests arising on a business combination (Note 8)

At 31 December 2024

Attributable to the equity holders of the parent

Asset revaluation surplus	Reserve of disposal group held for sale	Total	Non- controlling interests	Total equity
\$000	\$000	\$000	\$000	\$000
-	-	41,044	208	41,252
-	-	(700)	-	(700)
-	-	40,344	208	40,552
-	-	6,220	239	6,459
-	-	(360)	-	(360)
-	-	5,860	239	6,099
-	-	200	-	200
-	-	298	-	298
-	-	-	-	-
-	-	-	342	342
-	-	45,102	740	45,842

Appendix 5 – Replacement for “Consolidated statement of cash flows”

The below presented Consolidated statement of cash flows should be used to replace the statement of cash flows presented within the Content Model for 2025.

Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	2025 \$000	2024 \$000 Restated (Note 2.5)
Operating activities			
Operating profit from continuing operations		10,216	8,061
Operating profit from discontinued operations	14	848	326
		11,064	8,387
Operating profit			
Adjustments to reconcile operating profit to net cash flows:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	18, 32	4,341	3,794
Amortisation and impairment of intangible assets and impairment of goodwill	20	325	174
Equipment received from customers	18	(190)	(150)
Share-based payment expense	33	412	492
Net foreign exchange differences	13.7	(95)	14
Gain on disposal of property, plant and equipment	13.1	(532)	(2,007)
Fair value adjustment of a contingent consideration	8	358	-
	13.1,		
Net loss on derivative instruments at fair value through profit or loss	13.2	652	-
	28, 29,		
Movements in provisions, pensions and government grants	33	(815)	(65)
Working capital changes:			
Decrease/(Increase) in trade receivables, contract assets and prepayments		(7,102)	2,431
Decrease in inventories and right of return assets		1,129	1,111
Increase in trade and other payables, contract liabilities and refund liabilities		3,775	1,918
		13,322	16,099
Rental income received on investment properties	19	1,404	1,377
Income tax paid		(2,935)	(3,999)
Net cash flows from operating activities		11,791	13,477
Investing activities			
Proceeds from sale of property, plant and equipment		1,990	2,319
Purchase of property, plant and equipment	18	(10,167)	(7,581)
Purchase of investment properties	19	(1,216)	(1,192)
Purchase of financial instruments		(272)	(225)
Proceeds from sale of financial instruments		328	145
Development expenditures	20	(587)	(390)
Acquisition of a subsidiary, net of cash acquired	8	230	(1,450)
Receipt of government grants	28	2,951	642
Interest received		250	221
Net cash flows used in investing activities		(6,493)	(7,511)

Consolidated statement of cash flows (continued)
for the year ended 31 December 2025

		2025	2024
	Notes	\$000	\$000
			Restated
			(Note 2.5)
Financing activities			
Proceeds from exercise of share options	26	175	200
Acquisition of non-controlling interests	8	(325)	-
Transaction costs on issue of shares	26	(32)	-
Payment of principal portion of lease liabilities	22.6, 32	(406)	(341)
Proceeds from borrowings	22.6	5,649	4,871
Repayment of borrowings	22.6	(2,032)	(4,250)
Interest paid		(1,067)	(1,173)
Dividends paid to equity holders of the parent	27	(1,979)	(1,600)
Dividends paid to non-controlling interests		(30)	(49)
Net cash flows from/(used in) financing activities		(47)	(2,342)
Net increase in cash and cash equivalents		5,251	3,624
Net foreign exchange difference		339	326
Cash and cash equivalents at 1 January		12,266	8,316
Cash and cash equivalents at 31 December	25	17,856	12,266

Below are included only the paragraphs from respective notes that have been updated due to HKFRS 18 updates.

Legend:

~~Red crossed out text~~ – should be excluded from the Content Model

Blue text/paragraphs/notes – should be added to the Content Model

Black text – no changes required

Note: If the entire paragraph needs to be included in the specific note in accordance with IFRS 18 Updates, we have included the existing paragraph from the Content Model, which is positioned before the new additions (black text). This arrangement facilitates easier review and identification of where this new paragraph should be added.

Appendix 6 – Updates for “Note 2.3 Material accounting policies”

2 Accounting policies

2.3 Material accounting policies

a) Business combinations and goodwill

...

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in ~~administrative expenses~~ 'Administrative expenses'.

...

b) Investment in associates and joint ventures

...

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss ~~outside operating profit~~ in the investing category and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

...

g) Foreign currencies

(i) Transactions and balances

...

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Foreign exchange differences recognised in profit or loss are classified in the same category in the statement of profit or loss as the income or expense on the item that gave rise to the foreign exchange difference. Where this involves undue cost or effort, the Group classifies them under operating activities.

...

(ii) Group companies

...

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

In accordance with HKFRS 10, intragroup monetary assets or liabilities between the parent and its subsidiaries that do not constitute part of the net investment in a foreign operation are eliminated in full upon consolidation. However, any foreign exchange differences arising from such balances continue to be recognised in the consolidated statement of profit or loss. The Group classifies these foreign exchange differences under the default category of operating activities within the statement of profit or loss.

...

k Leases

(iii) Short-term leases and leases of low-value assets

...

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense [within in the operating category in the statement of profit or loss](#), on a straight-line basis over the lease term.

...

o) Financial instruments – initial recognition and subsequent measurement

Financial assets at fair value through profit or loss

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

Having considered the disaggregation principles under HKFRS 18, the Group has concluded that separate presentation of realised and unrealised components does not provide materially useful information to users of the financial statements. Accordingly, gain and losses on financial assets at fair value through profit or loss are presented on an aggregated basis, and no separate line item or note disclosure is provided.

...

Financial liabilities at amortised cost (loans and borrowings)

...

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as ~~finance costs~~ 'Interest expenses on loans and borrowings' in the statement of profit or loss.

...

p) Derivative financial instruments and hedge accounting

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss. ~~as other expense~~. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss ~~as other expense~~. As the Group uses interest rate swap agreements to hedge exposure to interest rate fluctuations on its secured loan, the changes in the fair value of the hedging instrument and hedged item are classified within the financing category in the statement of profit or loss within 'Interest expenses on loans and borrowings'.

...

Cash flow hedges

...

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised as other individually immaterial operating expense and the ineffective portion relating to commodity contracts is recognised in other individually immaterial operating income or expenses. Refer to Note 22.3 for more details.

...

q) Inventories

...

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of sales comprises unallocated production overheads, abnormal costs, and the cost of inventories that have been sold. The Group also presents inventory write-downs, impairment of property, plant and equipment as part of cost of sales.

v) Provisions

General

...

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as ~~a finance cost~~ interest expenses on other liabilities.

Decommissioning liability

The Group records a provision for decommissioning costs to remediate the environmental damage of a manufacturing facility for the production of <insert material>. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as ~~a finance cost~~ interest expenses on other liabilities. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. The impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the decommissioning liability on the manufacturing facility. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

w) Pensions and other post-employment benefits

...

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes: service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling expenses' and distribution expenses' in the consolidated statement of profit or loss. (by function):

- ~~Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements~~
- ~~Net interest expenses or income.~~

The net interest expense or income on the Group's defined benefit pension plan, which is not capitalised to the cost of an asset, is recognised as 'interest expenses on other liabilities' in the statement of profit or loss.

x) Share-based payments

Equity-settled transactions

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date

The updates within this note are not result of the IFRS 18 early adoption. The change has been made to prepare the unified Content Model for all entities in accordance with the latest available publications.

fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 17).

z) Earnings per share (EPS)

The updates within this note are not result of the IFRS 18 early adoption. The change has been made to prepare the unified Content Model for all entities in accordance with the latest available publications.

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Appendix 7 – Updates for “Note 2.4 Changes in accounting policies and disclosures”

2 Accounting policies

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied for the first-time the amendments to HKAS 21, which are effective for annual periods beginning on or after 1 January 2025 and has early adopted HKFRS 18 and related consequential amendments, which is effective for annual periods beginning on or after 1 January 2027. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. ~~The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.~~

HKFRS 18 Presentation and Disclosure in Financial Statements

The Group early adopted HKFRS 18, which supersedes HKAS 1 and made consequential amendments to other standards. HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of management-defined performance measures (Note 16), disclosure about the nature of operating expense (Note 13.5) when entities present at least one line item by function, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, consequential amendments have been made to HKAS 7, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards, including HKAS 8 and HKAS 33.

The statement of profit or loss under HKAS 1 for the year ended 31 December 2024 reconciles to the statement of profit or loss under HKFRS 18, as follows:

	HKAS 1	Adjustments	HKFRS 18	
	HK\$’000	HK\$’000	HK\$’000	
Revenue from contracts with customers	159,088	—	159,088	
Rental income	1,377	(1,377)	—	(a)
Revenue / Revenue from contracts with customers	160,465	(1,377)	159,088	
Cost of sales	(128,386)	440	(127,946)	(a)(b)
Gross profit	32,079	(937)	31,142	
Other operating income	2,548	—	2,548	
Research and development expenses		(1,034)	(1,034)	(c)
Selling and distribution expenses	(12,964)	12,964	—	(d), (e)
Selling expenses		(8,875)	(8,875)	(d)
Distribution expenses		(4,041)	(4,041)	(d)
Administrative expenses	(12,011)	591	(11,420)	(a), (b), (c), (e)
Foreign exchange differences		(206)	(206)	(b)

Other operating expenses	(353)	300	(53)	(a)
Operating profit	9,299	(1,238)	8,061	
Share of profit of an associate and a joint venture	638	—	638	
Foreign exchange differences on cash and short-term deposits		254	254	(b)
Rental income		1,377	1,377	(a)
Change in fair value of investment properties		(300)	(300)	(a)
Other income from investments		144	144	(f)
Profit before financing and income taxes		237	10,174	
Interest expenses on loans and borrowings		(1,020)	(1,020)	(q)
Interest expenses on other liabilities		(341)	(341)	(e), (q)
Foreign exchange differences on interest-bearing loans and borrowings		67	67	(b)
Finance costs	(1,268)	1,268	—	(q)
Finance income	145	(145)	—	(f)
Other income	66	(66)	—	(b), (f)
Profit before income tax	8,880	—	8,880	
Income tax expense	(2,233)	—	(2,233)	
Profit from continuing operations	6,647	—	6,647	
Discontinued operations				
Loss from discontinued operations	(188)	—	(188)	
Profit for the year / Profit	6,459	—	6,459	

(a) The income and expenses from investment properties

Rental income from investment properties is classified in the investing category in the statement of profit or loss, as property rental operations are not a main business activity of the Group.

The maintenance expenses for investment properties, previously included in the cost of sales have been moved to administrative expenses.

Changes in the fair value of investment properties are classified under the investing category. As a result, the related amounts are excluded from other operating expenses.

(b) Foreign exchange differences

Foreign exchange differences on cash and short-term deposits, previously included in administrative expenses, are classified under the investing category. Foreign exchange differences on interest-bearing loans and borrowings, which were previously included in other income, are classified under the financing category.

(c) Research and development expenses

Following the assessment of characteristics, research and development expenses have been separated from administrative expenses.

(d) Selling and distribution expenses

Selling and distribution expenses have been disaggregated into selling expenses and distribution expenses

(e) Net interest expense on a net defined benefit liability

Net interest expense on a net defined benefit liability is classified under the financing category. Consequently, the associated amounts are excluded from selling and distribution expenses, as well as administrative expenses.

(f) Interest, fair value gains and losses on financial assets

Interest income from debt instruments, fair value gain on equity instruments, loss on sale of debt instruments and impairment loss on debt instruments are classified in the investing category as these financial assets generate returns individually and largely independent of the Group's other resources.

(g) Finance costs

Interest on debts and borrowings and other liabilities are classified in the financing category. Unwinding of discount and effect of changes in discount rate on provisions are reallocated to interest expenses on other liabilities. Appendix 8 – Updates for “Note 3 Significant accounting judgements, estimates and assumptions”

3 Significant accounting judgements, estimates and assumptions

...

If the Group had able to recognise all unrecognised deferred tax assets, profit and equity would have increased by \$XXX,XXX. Further details on taxes are disclosed in Note 15.

Aggregation and disaggregation

The Group assesses the identified expenses within operating category in the statement of profit or loss to determine whether they share similar characteristics. The Group considers the function or role of individual transactions within its activities. As research and development, selling, distribution and administrative functions have been identified, the Group disaggregate these into four line items in the statement of profit or loss. The remaining expenses, which all are considered to be individually immaterial, are aggregated under 'Other individually immaterial operating expenses'.

Appendix 9 – Updates for “Note 4 Revenue from contracts with customers”

4 Revenue from contracts with customers

4.1 Disaggregated revenue information

...

Set out below, is the reconciliation of the revenue-from contracts with customers ~~to the amounts per type of product line:-~~ with the amounts disclosed in the segment information (Note 5):

..

4.2 Contract balances

...

The significant increase in contract liabilities in 2025 was mainly due to the \$X,XXX,XXX long-term advances received from customers during the year. In 2025, \$XXX,XXX (2024: \$XX,XXX) was recognised as interest on long-term advances increasing the contract liabilities' balance (Note 13.4) and was included within 'Interest expenses on other liabilities' in the statement of profit or loss. The acquisition of a subsidiary also resulted in an increase in contract liabilities of \$XXX,XXX in 2025 (2024: \$Nil) (Note 8). ...

The updates within this note are not result of the IFRS 18 early adoption. The change has been made to prepare the unified Content Model for all entities in accordance with the latest available publications. The wording has been adjusted to be in line with IFRS 18 Updates.

Appendix 10 – Insertion of “Note 5 Segment information”

For management purposes, the Group is organised into business units based on its products and services and has <insert number of segment> reportable segments, as follows:

- The <segment 1>, <insert description of segment>
- The <segment 2>, <insert description of segment>.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured broadly in line with profit or loss in the consolidated financial statements. However, the performance of <insert Company name> the Group's joint venture is evaluated using proportionate consolidation. Also, the Group's financing (for example, other individually immaterial income from investments and interest expenses on loans and borrowings) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Year 31 December 2025	ended	<Segment 1>	<Segment 2>	Total segments	Adjustments and eliminations	Consolidated
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue						
External customers		141,246	69,263	210,509	(31,451)	179,058
Inter-segment		-	7,465	7,465	(7,465)	-
Total revenue		141,246	76,728	217,974	(38,916)	179,058
Cost of sales		(108,278)	(61,404)	(169,682)	33,316	(136,366)
Selling expenses		(6,238)	(3,702)	(9,940)	-	(9,940)
Distribution expenses		(3,783)	(226)	(4,009)	-	(4,009)
Administrative expenses (Note 13.8)		(10,739)	(5,750)	(16,489)	312	(16,177)
Share of profit of an associate and a joint venture (Notes 10, 11)		83	-	83	588	671
Segment profit		9,988	2,884	12,872	(1,784)	11,088
Total assets		87,347	44,772	132,119	15,258	147,377
Total liabilities		33,191	8,836	42,027	44,583	86,610

Other disclosures

Depreciation and amortisation	(3,852)	(489)	(4,341)	-	(4,341)
Goodwill impairment (Note 21)	-	(200)	(200)	-	(200)
Investment in an associate and a joint venture (Notes 10, 11)	3,187		3,187	-	3,187
Capital expenditure	8,541		11,383	-	11,383

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below:

Year ended 31 December 2024	<Segment 1> HK\$'000 Restated	<Segment 2> HK\$'000 Restated	Total segments HK\$'000 Restated	Adjustments and eliminations HK\$'000	Consolidated HK\$'000 Restated
Revenue					
External customers	123,282	66,621	189,903	(30,815)	159,088
Inter-segment	-	7,319	7,319	(7,319)	-
Total revenue	123,282	73,940	197,222	(38,134)	159,088

Year ended 31 December 2024	<Segment 1> HK\$'000 Restated	<Segment 2> HK\$'000 Restated	Total segments HK\$'000 Restated	Adjustments and eliminations HK\$'000	Consolidated HK\$'000 Restated
Total revenue	123,282	73,940	197,222	(38,134)	159,088
Cost of sales	(100,475)	(59,827)	(160,302)	32,356	(127,946)
Selling expenses	(6,104)	(2,771)	(8,784)	(91)	(8,875)
Distribution expenses	(2,752)	(1,289)	(4,041)	-	(4,041)
Administrative expenses (Note 13.8)	(7,394)	(4,134)	(11,528)	108	(11,420)
Share of profit of an associate and a joint venture (Notes 10,11)	81	-	81	557	638
Segment profit	4,701	5,142	9,843	(963)	8,880
Total assets	69,730	40,409	110,139	526	110,665
Total liabilities	31,855	5,754	35,921	28,902	64,823

Other disclosures

Depreciation and amortisation	(2,860)	(610)	(3,470)	(324)	(3,794)
Impairment of property, plant and equipment (Note 18)	(301)	-	(301)	-	(301)
Investment in an associate and a joint venture (Notes 10, 11)	2,516	-	2,516	-	2,516
Capital expenditure	5,260	3,513	8,773	-	8,773

Adjustments and eliminations

Finance costs, finance income, other income, Interest expenses on liabilities, foreign exchange differences on interest-bearing loans and borrowings, foreign exchange differences on cash and short-term deposits, other individually immaterial income from investments and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

	2025	2024
	HK\$'000	HK\$'000 Restated
Segment profit	12,872	9,843
Gain on derivative instruments at fair value through profit or loss (Note 13.1)	850	—
Loss on derivative instruments at fair value through profit or loss (Note 13.2)	(1,502)	—
Foreign exchange differences on cash and short-term deposits (Note 13.7)	270	254
Other individually immaterial income from investments (Note 13.3)	243	144
Interest expenses on debts and borrowings	(1,036)	(1,020)
Interest expenses on other liabilities (Note 13.4)	(431)	(341)
Foreign exchange differences on interest-bearing loans and borrowings (Note 13.7)	57	67
Inter-segment sales (elimination)	(235)	(67)
Profit before tax and discontinued operations	11,088	8,880

Reconciliation of assets

	2025	2024
	HK\$'000	HK\$'000
Segment operating assets	132,119	110,139
Deferred tax assets (Note 15)	389	365
Loan to an associate (Note 22.1)	200	—
Loan to a director (Note 22.1)	13	8
Derivatives	1,102	153
Assets held for sale (Note 14)	13,554	—
Total assets	147,377	110,665

Reconciliation of liabilities

	2025	2024
	HK\$'000	HK\$'000 Restated
Segment operating liabilities	42,027	35,921
Deferred tax liabilities (Note 15)	2,454	607
Current tax payable	3,511	3,563
Interest-bearing loans and borrowings	22,806	24,478
Derivatives	2,687	254
Liabilities held for sale (Note 14)	13,125	—
Total liabilities	86,610	64,823

Geographic information

	2025	2024
	HK\$'000	HK\$'000
Revenue from external customers		Restated
<insert country>	128,238	112,584
<insert country>	52,224	47,881
Total	180,462	160,465

The revenue information above is based on the locations of the customers.

Revenue from one customer amounted to HK\$XX,XXX,XXX (2024: HK\$XX, XXX, XXX), arising from sales in the <insert segment>.

Non-current operating assets

<insert country>	40,934	29,684
<insert country>	9,865	7,821
Total	50,799	37,505

Non-current assets for this purpose consist of 'Property, plant and equipment', 'Right-of-use assets', 'Investment properties', 'Intangible assets' and 'Goodwill'.

Appendix 11 – Updates for “Note 6 Capital management”

6 Capital management

...

	2025 \$000	2024 \$000
Interest-bearing loans and borrowings other than convertible preference shares (included in 'Interest-bearing loans and borrowings' Note 22.2)	22,201	23,811
Trade and other payables (Note 31)	16,969	20,023
Less: cash and short-term deposits (Note 25)	(17,528)	(14,916)
Net debt	21,642	28,918
Convertible preference shares (included in 'Interest-bearing loans and borrowings' Note 22.2)	2,778	2,644
Equity	58,357	45,102
Total capital	61,135	47,746
Capital and net debt	82,777	76,664
Gearing ratio	26%	38%

...

Appendix 12 – Updates for “Note 8 Business combinations and acquisition of non-controlling interests”

...

	\$000
Purchase consideration	
Shares issued, at fair value	7,203
Contingent consideration liability	714
Total consideration	7,917
Analysis of cash flows on acquisition:	
Transaction costs of the acquisition (included in cash flows from operating activities under 'Administrative expenses' in the statement of profit or loss)	(600)
Net cash acquired with the subsidiary (included presented under 'Acquisition of a subsidiary, net of cash acquired' in the statement cash flows from operating activities)	230
Transaction costs attributable to issuance of shares (included presented under 'Transaction costs on issue of shares' in the statement cash from financing activities, net of tax)	(32)
Net cash flow on acquisition	(402)

...

	\$000
As at 1 January 2025	-
Liability arising on business combination	714
Unrealised fair value changes recognized (included in 'Administrative expenses' in the statement of profit or loss)	358
As at 31 December 2025	1,072

...

	\$000
Cash consideration paid to non-controlling shareholders (presented under 'Acquisition of non-controlling interests' in the statement of cash flows)	325
Carrying value of the additional interest in <Company name>	(135)
Difference recognised in retained earnings	190

Appendix 13 – Updates for “9. Partly-owned subsidiaries ”

...

Summarised statement of profit or loss for 2025:

	<insert Company name 1> \$000	<insert Company name 2> \$000	<insert Company name 3> \$000
Revenue from contracts with customers	2,546	17,857	5,748
Cost of sales	(1,450)	(15,678)	(4,090)
Administrative expenses	(354)	(1,364)	(1,020)
Finance costs Interest expenses on loans and borrowings	(250)	(65)	(132)
Profit before income tax	492	750	506
Income tax	(25)	(6)	(80)
Profit for the year from continuing operations	467	744	426
Total comprehensive income	467	744	426
Attributable to non-controlling interests	243	149	54
Dividends paid to non-controlling interests	30	-	-

Summarised statement of profit or loss for 2024:

	<insert Company name 1> \$000	<insert Company name 2> \$000	<insert Company name 3> \$000
Revenue from contracts with customers	2,100	-	476
Cost of sales	(1,250)	-	(360)
Administrative expenses	(150)	-	(85)
Finance costs Interest expenses on loans and borrowings	(350)	-	(11)
Profit before tax	350	-	20
Income tax	20	-	(8)
Profit for the year from continuing operations	370	-	12
Total comprehensive income	370	-	12
Attributable to non-controlling interests	192	-	2
Dividends paid to non-controlling interests	49	-	-

...

Appendix 14 – Updates for “Note 10 Interest in a joint venture”

...

Summarised statement of profit or loss of <insert Company name>:

	2025	2024
	\$000	\$000
Revenue from contracts with customers	60,094	58,876
Cost of sales	(54,488)	(53,420)
Administrative expenses, including depreciation of \$X,XXX,XXX (2024: \$X,XXX,XXX)	(2,638)	(2,586)
Operating profit	2,968	2,870
Profit before financing and income taxes	2,968	2,870
Interest expenses on other liabilities	-	(50)
Finance costs, including interest expense \$XXX,XXX (2024: \$XXX,XXX) Interest		
expenses on loans and borrowings	(204)	(200)
Profit before tax income taxes	2,764	2,670
Income tax expense	(1,588)	(1,556)
Profit for the year (continuing operations)	1,176	1,114
Total comprehensive income for the year (continuing operations)	1,176	1,114
Group's share of profit for the year	588	557

Appendix 15 – Updates for “11. Investment in an associate”

...

	2025	2024
	\$000	\$000
Revenue from contracts with customers	33,292	32,640
Cost of sales	(27,299)	(26,765)
Administrative expenses	(1,665)	(1,632)
Operating profit	4,328	4,243
Profit before financing and income taxes	4,328	4,243
Interest expenses on loans and borrowings finance costs	(2,996)	(2,938)
Profit before income taxes	1,332	1,305
Income tax expense	(1,000)	(981)
Profit for the year (continuing operations)	332	324
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(120)	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	120	-
Total comprehensive income for the year (continuing operations)	332	324
Group's share of profit for the year	83	81

....

Appendix 16 – Replacement for “13. Other income and expenses”

The entire old note 12. Other income and expenses should be replaced with the new disclosure provided below.

Note: The note number has been changed to 13 due to adding the additional note provide above in the report.

13 Other income/expenses

13.1 Other individual immaterial operating income

	2025	2024
	HK\$'000	HK\$'000
Government grants (Note 29)	1,053	541
Gain on derivative instruments at fair value through profit or loss	850	–
Net gain on disposal of property, plant and equipment	532	2,007
Total other operating income	2,435	2,548

The net gain on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives which have been separated.

13.2 Other individually immaterial operating expenses

	2025	2024
	HK\$'000	HK\$'000
Bid defence costs	579	31
Cost of waste <insert description> (Note 28)	102	22
Loss on derivative instruments at fair value through profit or loss	1,502	–
Ineffectiveness on forward commodity contracts designated as cash flow hedges (Note 22.3)	65	–
Total other operating expenses	2,248	53

Bid defence costs were incurred in respect of obtaining advice in defending a hostile takeover bid by a competitor. The competitor did not proceed with the bid.

Net loss on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives which have been separated.

13.3 Other individually immaterial income from investments

	2025	2024
	\$000	\$000
Interest income on a loan to an associate	17	-
Interest income on cash and short-term deposits (Note 25)	83	76
Interest income from debt instruments at fair value through OCI	102	69
Fair value gain on equity instruments at fair value through profit or loss	37	9
Gain (loss) on sale of debt instruments at fair value through OCI	8	(4)
Dividend income from equity instruments at fair value through OCI	3	-
Impairment loss on debt instruments at fair value through OCI	(7)	(6)
Total other individually immaterial income from investment	243	144

13.4 Interest expenses on other liabilities

	2025	2024
	\$000	\$000
Interest arising from revenue contracts (Note 4.2)	109	62
Interest on lease liabilities (Note 32)	178	185
Unwinding of discount and effect of changes in discount rate on provisions (Note 28)	43	1
Net interest expense from pensions and other post-employment benefit plans (Note 33)	101	93
Total interest expenses on other liabilities	431	341

13.5 Specified expenses by nature in operating category

	\$000	\$000
Depreciation:		
Cost of sales	3,368	2,652
Administrative expenses	429	430
Total depreciation	3,797	3,082
Amortisation:		
Cost of sales	125	174
Total amortisation	125	174
Employee benefits (excluding directors' remuneration):		
Cost of sales	7,706	7,628
Selling expenses	9,766	9,067
Distribution expenses	1,952	1,978
Research and development expenses	2,031	987
Administrative expenses	10,193	7,425
Total employee benefits	31,648	27,085
Impairment losses:		
Cost of sales	-	301
Administrative expenses	200	-
Total impairment losses	200	301
Write-down of inventories:		
Cost of sales	286	242
Total write-down of inventories	286	242

The amounts disclosed are specified expenses recognised in the statement of profit or loss for the year, apart from depreciation and employee benefits. The amounts disclosed for depreciation and employee

benefits include those that have been capitalised by incorporating them into the carrying amount of inventory at the end of the reporting period.

13.6 Research and development costs

The Group's business research and development concentrates on the development of <insert description of type of research and development>. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred (in 2025, this was \$X,XXX,XXX (2024: \$X,XXX,XXX)), and they are recognised in administrative expenses.

13.7 Foreign exchange differences

The total amount of net foreign exchange differences is HK\$'25,000 (2024: HK\$'115,000), which is presented within 'Foreign exchange differences', 'Foreign exchange differences on cash and short-term deposits' and 'Foreign exchange differences on interest-bearing loans and borrowings'

13.8 Administrative expenses

	2025	2024
	\$000	\$000
Employee benefits expense (excluding directors' remuneration) (Note 13.5)	13,224	9,385
Acquisition-related transaction costs	600	—
Auditor's remuneration	...	...
Depreciation	429	430
Expected credit losses of trade receivables and contract assets (Note 24)	185	76
Impairment of goodwill (Note 21)	200	—
Expense relating to leases of low-value assets (Note 32)	18	17
Remeasurement of contingent consideration (Note 8)	358	—
Other individually immaterial administrative expenses	1,163	1,512
Total administrative expenses	16,177	11,420

Appendix 17 – Update of “Discontinued operations”

14 Discontinued operations

	2025	2024
	\$000	\$000
Revenue from contracts with customers	42,809	45,206
Expenses	(41,961)	(44,880)
Operating income profit	848	326
Interest expenses on loans and borrowings Finance costs	(525)	(519)
Impairment loss recognised on the remeasurement to fair value less costs to sell	(110)	-
Profit/(loss) before tax from discontinued operations	213	(193)
Tax benefit/(expense):		
Related to pre-tax profit/(loss) from the ordinary activities for the period	(26)	5
Related to remeasurement to fair value less costs to sell	33	-
Profit/(loss) for the year from discontinued operations	220	(188)
Gain/(loss) on equity instruments designated at fair value included in OCI	-	4
Other comprehensive income for the year from discontinued operations	-	4

...

Appendix 18 – Insertion of “Note 16 Management-defined performance measure (MPM)”

The Group uses ‘adjusted operating profit’ as a management-defined performance measure in its public communications to communicate management’s view of an aspect of the operating performance of the Group as whole. This measure is not defined by HKFRS accounting standards, which means it may not be directly comparable to similar measures used by other entities.

The Group’s management believes that this adjusted operating profit measure offers a relevant alternative perspective on the Group’s underlying operating performance by excluding the effects of items that are not indicative of ongoing business activities. The Group’s management considers this useful for understanding profitability trends and for evaluating the Group’s ability to generate sustainable earnings from its core operations.

Operating profit has been adjusted to exclude income and expense items considered to only occur infrequently. Typically, the Group adjusts operating profit by excluding the following income and expenses:

- Impairment losses (or reversals) related to property, plant, and equipment (including right-of-use assets), intangible assets and goodwill.
- Government grants related to property, plant, and equipment
- Gains or losses from the disposal of property, plant, and equipment, as well as intangible assets.

The tax impact of each reconciling item is determined using the statutory tax rate of 30% that applies in <insert country>.

Year ended 31 December 2025	Reconciliation	Income tax expense	Profit attributable to NCI
	HK\$’000	HK\$’000	HK\$’000
Operating profit	10,563		
Impairment of goodwill (included in ‘Administrative expense’, Note 21)	200	(60)	—
Government grants (included in ‘Other individually immaterial operating income’, Note 13.1)	(1,053)	316	—
Gains on the disposal of property, plant, and equipment (included in ‘Other individually immaterial operating income’, Note 13.1)	(532)	160	(24)
Adjusted operating profit (MPM)	9,178		

Year ended 31 December 2024	Reconciliation	Income tax Expense	Profit attributable to NCI
	HK\$’000	HK\$’000	HK\$’000
Operating profit	8,716		
Impairment of property, plant, and equipment (included in ‘Cost of sales’, Note 18, 21)	301	(90)	—
Government grants (included in ‘Other individually immaterial operating income’, Note 13.1)	(541)	162	—
Gains on the disposal of property, plant, and equipment (included in ‘Other individually immaterial operating income’, Note 13.1)	(2,007)	602	(124)
Adjusted operating profit (MPM)	6,469		

Appendix 19 – Insertion of “Note 17 Earnings per share (EPS)”

The updates within this note are not result of the HKFRS 18 early adoption. The change has been made to prepare the unified Content Model for all entities in accordance with the latest available publications.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2025	2024
	HK\$'000	HK\$'000
Profit attributable to ordinary equity holders of the parent:		Restated
Continuing operations	7,708	6,408
Discontinued operations	220	(188)
Profit attributable to ordinary equity holders of the parent for basic earnings	7,928	6,220
Interest on convertible preference shares	247	238
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	8,175	6,458
	2025	2024
	Thousands	Thousands
Weighted average number of ordinary shares for basic EPS*	20,797	19,064
Effects of dilution from:		
Share options	112	177
Convertible preference shares	833	833
Weighted average number of ordinary shares adjusted for the effect of dilution*	21,742	20,074

** The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.*

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

To calculate the EPS for discontinued operations (Note 14), the weighted average number of ordinary shares for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount used:

	2025	2024
	HK\$'000	HK\$'000
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the basic and diluted EPS calculations	220	(188)

Appendix 20 – Update of “Note 18. Property, plant and equipment”

...

In 2024, the impairment loss of \$XXX,XXX represented the write-down of certain property, plant and equipment in the <insert CGU> to the recoverable amount as a result of technological obsolescence. This was recognised in the statement of profit or loss as ‘Cost of sales’. The recoverable amount of \$X,XXX,XXX as at 31 December 2024 was based on value in use and was determined at the level of the CGU. The CGU consisted of the <insert country>-based assets of <insert Company name>, a subsidiary. In determining value in use for the CGU, the cash flows were discounted at a rate of XX.X% on a pre-tax basis.

...

Appendix 21 – Update of “Note 19. Investment properties”

...

	2025	2024
	\$000	\$000
Rental income derived from investment properties	1,404	1,377
Direct operating expenses (including repairs and maintenance) generating rental income (included in ‘Administrative expenses’ Cost of sales)	(101)	(353)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in ‘Administrative expenses’ Cost of sales)	(37)	(127)
Profit arising from investment properties carried at fair value	1,266	897

...

Reconciliation of fair value:

	Investment properties	
	Office properties	Retail properties
	\$000	\$000
As at 1 January 2024	3,397	3,694
Remeasurement recognised in the statement of profit or loss as a change in fair value of investment properties	(144)	(156)
Purchases	571	621
As at 31 December 2024	3,824	4,159
Remeasurement recognised in the statement of profit or loss as a change in other operating expenses fair value of investment properties	(147)	(159)
Purchases	583	633
As at 31 December 2025	4,260	4,633

....

Appendix 22 – Update of “Note 20 Intangible assets and goodwill”

	Development costs	Patents and licences with definite useful life	Licences with indefinite useful life	Intangible assets total	Goodwill	Total
Cost	\$000	\$000	\$000		\$000	\$000
At 1 January 2024	1,585	395	240	2,220	119	2,339
Additions - internally developed	390	-	-	390	-	390
Acquisition of a subsidiary (restated*)	-	-	-	-	131	131
Assets held for sale	-	-	-	-	-	-
At 31 December 2024	1,975	395	240	2,610	250	2,860
Additions - internally developed	587	-	-	587	-	587
Acquisition of a subsidiary	-	30	1,170	1,200	2,231	3,431
Assets held for sale	-	(138)	-	(138)	-	(138)
At 31 December 2025	2,562	287	1,410	4,259	2,481	6,740
Amortisation and impairment						
At 1 January 2024	165	60	-	225	-	225
Amortisation	124	50	-	174	-	174
Impairment (Note 21)	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-
At 31 December 2024	289	110	-	399	-	399
Amortisation	95	30	-	125	-	125
Impairment (Note 21)	-	-	-	-	200	200
Assets held for sale	-	(3)	-	(3)	-	(3)
At 31 December 2025	384	137	-	521	200	721
At 31 December 2024	1,686	285	240	2,221	250	2,461
At 31 December 2025 (restated*)	2,178	150	1,410	3,738	2,281	6,019

....

Acquisition during the year

Patents and licences include intangible assets acquired through business combinations. The patents have been granted for a minimum of 10 years by the relevant government agency, while licences have been acquired with the option to renew at the end of the period at little or no cost to the Group. Previous licences acquired have been renewed and have allowed the Group to determine that these assets have indefinite useful lives. As at 31 December 2025, these assets were tested for impairment (Note 2021).

Acquisition of development costs is presented under ‘Development expenditures’ in the statement of cash flows.

...

<insert description> CGU

The recoverable amount of the <insert description> CGU of HK\$’37,562,000 as at 31 December 2025 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for products and services. The pre-tax discount rate applied to cash flow projections is 15.5%

(2024: 12.1%) and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate (2024: 5.0%) that is the same as the long-term average growth rate for the < industry. It was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, management has recognised an impairment charge of HK\$'200,000 in the current year against goodwill with a carrying amount of HK\$'250,000 as at 31 December 2024. The impairment charge is recorded within ~~administrative expenses~~ 'Administrative expenses' in the statement of profit or loss.

...

Appendix 23 – Update of “Note 22 Financial assets and financial liabilities”

22.4 Fair values

...

Reconciliation of fair value measurement of embedded derivative assets and liabilities (Level 3):

	Embedded foreign exchange derivative asset	Embedded derivative liability	commodity
	<insert currency>	<insert commodity 1>	<insert commodity 2>
	\$000	\$000	\$000
As at 1 January 2024	-	-	-
Remeasurement recognised in statement of profit or loss during the period	-	-	-
Purchases	-	-	-
Sales	-	-	-
As at 31 December 2024	-	-	-
Remeasurement recognised in statement of profit or loss during the period	(363)	(209)	(80)
Purchases	573	809	262
Sales	-	-	-
As at 31 December 2025	210	600	182

The remeasurement is included within the line items 'Other individually immaterial operating income' and 'Other individually immaterial operating expenses' in the statement of profit or loss.

22.6 Changes in liabilities arising from financing activities (continued)

...

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities to current due to the passage of time, the accrual of special dividends that were not yet paid at year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cash flows from operating activities.

Cash flows relating to non-current interest-bearing loans and borrowings are presented within the line item 'Proceeds from borrowings' in the statement of cash flows. Cash flows relating to current interest-bearing loans and borrowings are presented within the line item 'Repayment of borrowings' in the statement of cash flows. Cash flows relating to current lease liabilities are presented within the line item 'Payment of principal portion of lease liabilities' in the statement of cash flows.

Foreign exchange movements are presented within the line item 'Foreign exchange differences on interest-bearing loans and borrowings' in the statement of profit or loss. The amount reclassified as part of disposal group is included within 'Liabilities directly associated with the assets held for sale' in the statement of financial position.

Appendix 24 – Update of “Note 23 Inventories”

...

The cost of inventories recognised as an expense is \$XXX,XXX (2024: \$XXX,XXX). During 2025, \$XXX,XXX (2024: \$XXX,XXX) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales. For a subsequent event related to inventories, refer to [Note 38](#).

Appendix 25 – Update of “Note 24 Trade receivables and contract assets”

...

	2025	2024
	\$000	\$000
As at 1 January	223	244
Provision for expected credit losses (included in ' Administrative expenses ' Note 13.8)	185	76
Write-off	(54)	(95)
Foreign exchange movement	(4)	(2)
As at 31 December	350	223

...

Appendix 26 – Removal of “Note 25 Prepayments”

25 Prepayments

	2025	2024
	\$000	\$000
Prepaid insurance	168	89
Creditable withholding taxes	76	76
	244	165

~~In 20XX, the Group paid for an insurance policy covering three years. The prepayments pertain to the unexpired portion of the insurance.~~

Appendix 27 – Updates of “Note 25 Cash and short-term deposits”

...

	2025	2024
	\$000	\$000
Cash at banks and on hand	11,732	11,125
Short-term deposits	5,796	3,791
Cash at banks and short-term deposits attributable to discontinued operations	1,294	-
	18,822	14,916
Bank overdrafts (included in 'Interest-bearing loans and borrowings')	(966)	(2,650)
Cash and cash equivalents	17,856	12,266

Appendix 28 – Updates of “Note 26 Issued capital and reserves”

...

Other *individually immaterial* capital reserves

	Share-based payments	Convertible preference shares	Total
	\$000	\$000	\$000
As at 1 January 2024	338	228	566
Share-based payments expensed during the year	298	-	298
At 31 December 2024	636	228	864
Share-based payments expensed during the year	307	-	307
At 31 December 2025	943	228	1,171

....

Nature and purpose of reserves

Other *individually immaterial* capital reserves

Convertible preference shares

The convertible preference share reserve covers the equity component of the issued convertible preference shares. The liability component is included ~~in Interest-bearing loans and borrowings~~ 'Interest-bearing loans and borrowings' (see Note 2122.2).

All other reserves are as stated in the consolidated statement of changes in equity.

.....

	Cash flow	Cost	Fair value	Foreign	Asset	Retained	Total
	hedge	hedging	reserve	currency	revaluation	earnings	
	reserve	reserve	of financial	translation	surplus		
	\$000	\$000	assets	reserve	\$000	\$000	\$000
			FVOCI				
Year ended 31 December 2025							
Net gain on a hedge of net investment	-	-	-	195	-	-	195
Exchange differences on translation of foreign operations	-	-	-	(246)	-	-	(246)
Currency forward contracts	197	4	-	-	-	-	201
Commodity forward contracts	(617)	(23)	-	-	-	-	(640)
Reclassified to statement of profit or loss	(198)	(3)	(6)	-	-	-	(207)
Fair value loss on debt instruments at FVOCI	-	-	(9)	-	-	-	(9)
Reclassification to statement of profit or loss	-	-	-	-	-	-	-
Fair value loss on equity instruments designated at FVOCI	-	-	(18)	-	-	-	(18)

Fair value gain on equity instruments designated at FVOCI	-	-	-	-	-	-
Share of OCI of an associate	-	-	(30)	-	30	-
Remeasurement on defined benefit plan	-	-	-	-	-	257
Revaluation of office properties in <insert country>	-	-	-	-	592	-
	(618)	(22)	(33)	(51)	592	257
						125

Appendix 29 – Updates of “Note 28 Provisions”

...

	Assurance- type warranties	Re- Structuring	De- commissioning	Social security contributio ns on share options	Waste <insert description >	Contingent liability recognised in a business combination	Onerous contracts	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 January 2024	66	-	-	3	31	-	-	100
Acquisition of a subsidiary	-	-	-	-	-	-	-	-
Arising during the year (Note 8)	52	-	-	1	22	-	-	75
Utilised	-	-	-	-	-	-	-	-
Unused amounts reversed	-	-	-	-	-	-	-	-
Unwinding of discount and changes in the discount rate (Note 13.4)	-	-	-	-	-	-	-	-
At 31 December 2024	118	-	-	4	53	-	-	175
Current	118	-	-	-	38	-	-	156
Non-current	-	-	-	4	15	-	-	19

Unwinding of discount and changes in the discount rates (Note 13.4) are included within the line item ‘Interest expenses on other liabilities’ in the statement of profit or loss.

...

Appendix 30 – Updates of “Note 29 Government grants”

	2025	2024
	\$000	\$000
At 1 January	1,551	1,450
Receipt of government grants (included in the statement of cash flows) Received during the year	2,951	642
Released to the statement of profit or loss (Note 13.1)	(1,053)	(541)
At 31 December	3,449	1,551
Current	149	151
Non-current	3,300	1,400

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants. Government grants recognised in the statement of profit or loss (Note 13.1) are included within the line item ‘Other individually immaterial operating income’ in the statement of profit or loss.

Appendix 31 – Updates of “Note 31 Trade ~~and~~, other ~~and~~ related party payables”

All trade payables subject to the supplier finance arrangement are included in trade, ~~and~~ other ~~and~~ related party payables in the consolidated statement of financial position and within trade payables in the table above.

....

All trade payables subject to the supplier finance arrangement are included in ~~trade and other payables~~ ‘Trade, other and related party payables’ in the consolidated statement of financial position and within trade payables in the table above.

Appendix 32 – Updates of “Note 32 Leases”

...

The following are the amounts recognised in profit or loss:

	2025	2024
	\$000	\$000
Depreciation expense of right-of-use assets (included in ‘Cost of sales’)	434	411
Interest expense on lease liabilities (included in ‘Interest expense on other liabilities’, Note 13.4)	178	185
Expense relating to short-term leases (included in ‘Cost of sales’)	22	21
Expense relating to leases of low-value assets (included in ‘Administrative expenses’)	18	17
Variable lease payments ((included in ‘Cost of sales’)	32	28
Total amount recognised in profit or loss	684	662

...

Appendix 33 – Updates of “Note 33 Pensions and other post-employment benefit plans”

Net benefit expense (recognised in profit or loss)

	2025 \$000	2024 \$000
Current service cost (included in ‘Cost of sales’, ‘Research and development expenses’, ‘Selling expenses’, ‘Distribution expenses’ and ‘Administrative expenses’)	142	108
Interest cost on benefit obligation (included in ‘Interest expenses on other liabilities’)	11	5
Net benefit expense	153	113

...

Appendix 34 – Updates of “Note 34 Share-based payments”

...

	2025 \$000	2024 \$000
Expense arising from equity-settled share-based payment transactions	307	298
Expense arising from cash-settled share-based payment transactions	105	194
Total expense arising from share-based payment transactions (Note 13.5)	412	492

The expense arising from share-based payment transactions is allocated to ‘Cost of sales’, ‘Research and development expenses’, ‘Selling expenses’, and ‘Administrative expenses’.

...

Appendix 35 – Updates of “Note 36 Related party disclosures”

The amounts disclosed in the table are the amounts recognised as ~~an expense~~ ‘Administrative expenses’ during the reporting period related to key management personnel. Senior management personnel of the Group, excluding non-executive directors, are included in an annual cash bonus scheme. Bonuses in this scheme are determined on the basis of both financial and non-financial KPIs, such as emission reduction targets and recycling targets, depending on their roles. Amounts awarded under this scheme are included in short-term employee benefits in the table above.

Appendix 36 – Updates of “Note 37 Standards issued but not yet effective”

~~Presentation and Disclosure in Financial Statements—HKFRS 18~~

~~HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.~~

**Appendix 37 –Consolidated statement of profit or loss and other comprehensive income
(example of a single statement) (Additional appendix)**

		2025	2024
		HK\$'000	HK\$'000
	Notes		Restated
			(Note 2.5)
Continuing operations			
Revenue from contracts with customers	<u>4, 5</u>	179,058	159,088
Cost of sales	<u>5</u>	(136,366)	(127,946)
Gross profit		42,692	31,142
Other individually immaterial operating income	<u>5, 13.1</u>	2,435	2,548
Research and development expenses	<u>13.6</u>	(2,235)	(1,034)
Selling expenses	<u>3, 5</u>	(9,940)	(8,875)
Distribution expenses	<u>3, 5</u>	(4,009)	(4,041)
Administrative expenses	<u>5, 13.8</u>	(16,177)	(11,420)
Foreign exchange differences	<u>13.7</u>	(302)	(306)
Other individually immaterial operating expenses	<u>5, 13.2</u>	(2,248)	(53)
Operating profit		10,216	8,061
Share of profit of an associate and a joint venture	<u>10, 11</u>	671	638
Rental income	<u>19</u>	1,404	1,377
Foreign exchange difference on cash and cash equivalents	<u>13.7</u>	270	254
Change in fair value of investment properties	<u>19</u>	(306)	(300)
Other individually immaterial income from investment	<u>13.3</u>	243	144
Profit before financing and income taxes		12,498	10,174
Interest expenses on loans and borrowings	<u>22</u>	(1,036)	(1,020)
Interest expenses on other liabilities	<u>13.4</u>	(431)	(341)
Foreign exchange gains on interest-bearing loans and borrowings	<u>13.7</u>	57	67
Profit before income tax from continuing operations		11,088	8,880
Income tax expense	<u>15</u>	(3,092)	(2,233)
Profit from continuing operations		7,996	6,647
Discontinued operations			
Profit/(loss) after tax from discontinued operations	<u>14</u>	220	(188)
Profit		8,216	6,459
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net gain on hedge of net investment	<u>22.3, 26</u>	278	-
Exchange differences on translation of foreign operations	<u>22.3, 26</u>	(246)	(117)

for the year ended 31 December 2025

		2025	2024
		HK\$'000	HK\$'000
Net gain/(loss) on cash flow hedges	<u>22.3, 26</u>	(883)	34
Net change in costs of hedging		(32)	-
Net loss on debt instruments at fair value through OCI	<u>13.3</u>	(21)	(1)
Share of other comprehensive loss of an associate	<u>11</u>	(30)	-
Income tax effect relating to the components of OCI	<u>15</u>	198	(10)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(736)	(94)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Net gain/(loss) on equity instruments designated at fair value through OCI		(26)	10
Remeasurement gain/(loss) on defined benefit plans	<u>33</u>	367	(390)
Revaluation of office properties in <insert country>	<u>18</u>	846	-
Share of other comprehensive income of an associate	<u>11</u>	30	-
Income tax effect relating to the components of OCI	<u>15</u>	(356)	114
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		861	(266)
Other comprehensive income/(loss) net of tax		125	(360)
Total comprehensive income, net of tax		8,341	6,099
Profit attributable to:			
Equity holders of the parent		7,928	(Note 2.5) 6,220
Non-controlling interests		288	239
		8,216	6,459
Total comprehensive income attributable to:			
Equity holders of the parent		8,053	5,860
Non-controlling interests		288	239
		8,341	6,099
Earnings per share			
	<u>17</u>		
Basic profit for the year attributable to ordinary equity holders of the parent		HK\$0.38	HK\$0.33
Diluted profit for the year attributable to ordinary equity holders of the parent		HK\$0.38	HK\$0.32
Earnings per share for continuing operations			
	<u>17</u>		
Basic profit from continuing operations attributable to ordinary equity holders of the parent		HK\$0.37	HK\$0.34
Diluted profit from continuing operations attributable to ordinary equity holders of the parent		HK\$0.37	HK\$0.33

Appendix 38 – Consolidated statement of profit or loss (example of expenses disclosed by nature) (Additional appendix)

for the year ended 31 December 2025

		2025	2024
		HK\$'000	HK\$'000
	Notes		Restated
			(Note 2.5)
Continuing operations			
Revenue from contracts with customers	<u>4, 5</u>	179,058	159,088
Other individually immaterial operating income	<u>5, 13.1</u>	2,435	2,548
Changes in inventories of finished goods and work in progress	<u>23</u>	(1,133)	(3,342)
Raw materials and consumables used	<u>23</u>	(129,390)	(116,921)
Employee benefits expense	<u>13.5</u>	(33,648)	(29,085)
Depreciation and amortisation	<u>18, 20, 32</u>	(4,356)	(3,667)
Impairment of non-current assets	<u>18, 21</u>	(200)	(301)
Foreign exchange differences	<u>13.7</u>	(302)	(206)
Other individually immaterial operating expenses	<u>13.2</u>	(2,248)	(53)
Operating profit		10,216	8,061
Share of profit of an associate and a joint venture	<u>10, 11</u>	671	638
Rental income	<u>19</u>	1,404	1,377
Foreign exchange difference on cash and short-term deposits	<u>13.7</u>	270	254
Change in fair value of investment properties	<u>19</u>	(306)	(300)
Other individually immaterial income from investment	<u>13.3</u>	243	144
Profit before financing and income taxes		12,498	10,174
Interest expenses on loans and borrowings	<u>22</u>	(1,036)	(1,020)
Interest expenses on other liabilities	<u>13.4</u>	(431)	(341)
Foreign exchange gains on interest-bearing loans and borrowings	<u>13.7</u>	57	67
Profit before income tax		11,088	8,880
Income tax expense	<u>15</u>	(3,092)	(2,233)
Profit from continuing operations		7,996	6,647
Discontinued operations			
Profit/(loss) after tax from discontinued operations	<u>14</u>	220	(188)
Profit		8,216	6,459
Attributable to:			
Equity holders of the parent		7,928	6,220
Non-controlling interests		288	239
		8,216	6,459
Earnings per share	<u>17</u>		
Basic, profit for the year attributable to ordinary equity holders of the parent		HK\$0.38	HK\$0.33
Diluted, profit for the year attributable to ordinary equity holders of the parent		HK\$0.38	HK\$0.32
Earnings per share for continuing operations	<u>17</u>		
Basic, profit from continuing operations attributable to ordinary equity holders of the parent		HK\$0.37	HK\$0.34
Diluted, profit from continuing operations attributable to ordinary equity holders of the parent		HK\$0.37	HK\$0.33

Appendix 39 – Consolidated statement of cash flows (example of the direct method) (Additional appendix)

for the year ended 31 December 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Operating activities			Restated
			(Note 2.5)
Receipts from customers		177,529	161,832
Payments to suppliers		(129,054)	(115,205)
Payments to employees		(33,749)	(29,151)
Income tax paid		(2,935)	(3,999)
Net cash flows from operating activities		11,791	13,477
Investing activities			
Proceeds from sale of property, plant and equipment		1,990	2,319
Purchase of property, plant and equipment	18	(10,167)	(7,581)
Purchase of investment properties	19	(1,216)	(1,192)
Purchase of financial instruments		(272)	(225)
Proceeds from sale of financial instruments		328	145
Purchase of intangible assets	20	(587)	(390)
Acquisition of a subsidiary, net of cash acquired	8	230	(1,450)
Receipt of government grants	29	2,951	642
Interest received		250	221
Net cash flows used in investing activities		(6,493)	(7,511)
Financing activities			
Proceeds from exercise of share options	26	175	200
Acquisition of non-controlling interests	8	(325)	—
Transaction costs of issue of shares	26	(32)	—
Payment of principal portion of lease liabilities	22.6, 32	(406)	(341)
Proceeds from borrowings	22.6	5,649	4,871
Repayment of borrowings	22.6	(2,032)	(4,250)
Interest paid		(1,067)	(1,173)
Dividends paid to equity holders of the parent	27	(1,979)	(1,600)
Dividends paid to non-controlling interests		(30)	(49)
Net cash flows from/(used in) financing activities		(47)	(2,342)
Net increase in cash and cash equivalents		5,251	3,624
Net foreign exchange difference		339	326
Cash and cash equivalents at 1 January		12,266	8,316
Cash and cash equivalents at 31 December	25	17,856	12,266

Appendix 40 – Updates of “General Appendix within the Content Model”

Note 2.3 b) Investment in associates and joint ventures

~~As explained in the introduction to this publication, t~~The primary purpose of these financial statements is to illustrate how the most commonly applicable disclosure requirements can be met. Therefore, they include disclosures that may, in practice, be deemed not material to the Content Model. To illustrate how the requirement in IAS 48 to disclose material accounting policy information could be applied in practice to a specific accounting policy, we have included in the table below relevant considerations in a materiality analysis in the context of the wording included in Note 2.3 b) above regarding investments

in associates and joint ventures. In preparing the analysis, the assumption is made that the application of the equity method is not considered to be complex, as IAS ~~1.117B~~ 8.27C(e) could otherwise have suggested that further disclosures about the application of the equity method are required. Furthermore, it is assumed that users of financial statements in the relevant market are familiar with IFRS accounting standards as other entities in the same market are also preparing financial statements in compliance with IFRS accounting standards, and have done so for over an extended period of time (PS 2.88F). These assumptions are, however, specific to ~~the Content Model~~, and must be assessed by each entity considering their specific facts and circumstances. ~~For further information on the amendments and how to apply them, please refer to our publication Applying IFRS: Disclosure of accounting policy information.~~

Wording in Note 2.3 b)	Alternative wording	Commentary
The group holds an interest in a joint venture, Showers Limited, and an interest in an associate, Power Works Limited. The financial statements of Showers Limited and Power Works Limited are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.	The group holds an interest in a joint venture, Showers Limited, and an interest in an associate, Power Works Limited. The financial statements of Showers Limited and Power Works Limited are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.	New paragraph added in <u>Note 2.3 b)</u> in this version of the Content Model (International) Limited to provide entity-specific context to the accounting policy disclosure.
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.		As the paragraph summarises the requirements of IAS 28 <i>Investments in Associates and Joint Ventures</i>, rather than entity-specific information, it does not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included). IAS 1.117C 8.27D clarifies that standardised information, or

Wording in Note 2.3 b)	Alternative wording	Commentary
		information that only duplicates or summarises the requirements of the IFRS accounting standards is less useful than entity-specific information.
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.		As the paragraph summarises the requirements of IFRS 11 <i>Joint Arrangements</i> , rather than entity-specific information, it does not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.		As the paragraph does not provide entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.	The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.	Policy derived from principles of IAS 1 and IAS 8 – presenting the Group's share of profit or loss of an associate and a joint venture outside operating profit. IAS 1.117B 8.27C(c) suggests that this may be an example of information that would likely be considered to be material accounting policy information. If disposals are made in the period, disclosure of the policy for presenting gains and losses may also be material information.
Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.	Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.	The first two sentences of the wording in Note 2.3 b) primarily summarise the requirements of IAS 28 and may therefore not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, they have not been included). The third sentence reflects relevant context. In the alternative wording and in Note 2.3 b) , an explanation has been included to further explain the implications of the policy. Also the presentation policy has been disclosed since it is not specifically prescribed under IFRS accounting

Wording in Note 2.3 b)	Alternative wording	Commentary
		standards, and, therefore, is developed in accordance with IAS 8.
The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Group.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
Upon loss of significant influence over the associate or joint control over the		As the paragraph summarises the requirements of IAS 28, rather than

Wording in Note 2.3 b)	Alternative wording	Commentary
joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.		entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).

Appendix 41 – Other comments

Please note that the following adjustments will be needed in accordance with the local law and regulations (if any):

- The presentation currency should be adjusted to the local (if different from the presentation currency within this report),
- The replacement of the “IFRS” and “IAS” references with local GAAP
- Updates of the cross-reference notes within the FS and Notes.