



Knowledge \ Opportunity \ Synergy

KOS INTERNATIONAL HOLDINGS LIMITED

高奧士國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8042



2025
Annual Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of KOS International Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Ka Kin Kevin (*Chairman*)
Mr. Chan Ka On Eddie
Mr. Chan Ka Shing Jackson
Ms. Yeung Shek Shek Louisa

Independent Non-executive Directors

Mr. Poon Kai Kin
Dr. Lau Kin Shing Charles
Mr. Cheung Wang Kei Wayne

AUDIT COMMITTEE

Mr. Poon Kai Kin (*Chairman*)
Dr. Lau Kin Shing Charles
Mr. Cheung Wang Kei Wayne

REMUNERATION COMMITTEE

Dr. Lau Kin Shing Charles (*Chairman*)
Mr. Poon Kai Kin
Mr. Cheung Wang Kei Wayne

NOMINATION COMMITTEE

Mr. Cheung Wang Kei Wayne (*Chairman*)
Mr. Poon Kai Kin
Dr. Lau Kin Shing Charles
Ms. Yeung Shek Shek Louisa
(appointed on 30 June 2025)

AUTHORISED REPRESENTATIVES

Mr. Chan Ka On Eddie
Mr. Chan Ka Shing Jackson

COMPANY SECRETARY

Ms. Chang Kam Lai (resigned on 13 February 2025)
Ms. Wong Ka Man (appointed on 13 February 2025)

AUDITOR

D & PARTNERS CPA LIMITED
Certified Public Accountants
Registered Public Interest Entity Auditor
Room 2201, 22/F
West Exchange Tower
322 Des Voeux Road Central
Sheung Wan, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 610, 6th Floor, Ocean Centre
No. 5 Canton Road
Tsim Sha Tsui
Kowloon, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Hong Leong Bank Berhad

STOCK CODE

8042

COMPANY'S WEBSITE

www.kos-intl.com

Chairman's Statement

Dear Shareholders,

On behalf of the Company's board of directors (the "Board"), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2025.

I am delighted to report that 2025 has been a landmark year for the Group, marking a decisive turning point in our growth trajectory. After navigating through a prolonged period of market headwinds, the Group has delivered a strong set of results, returning to profitability and achieving significant revenue growth. These results are a powerful testament to the resilience, dedication, and strategic vision of our team.

REVIEW

For the year ended 31 December 2025, the Group achieved a remarkable turnaround, recording a net profit of approximately HK\$2.6 million, compared to a net loss of approximately HK\$2.5 million in the previous year. This return to profitability demonstrates the effectiveness of our strategic initiatives, particularly the continued expansion of our secondment and payroll services and our disciplined approach to cost management.

The Group's revenue for the year ended 31 December 2025 increased by approximately HK\$43.9 million or 20.6% from approximately HK\$213.3 million in 2024 to approximately HK\$257.2 million in 2025. This impressive growth was primarily driven by the outstanding performance of our secondment and payroll services, which recorded revenue of approximately HK\$177.1 million for the year, an increase of approximately HK\$40.5 million or 29.6% from approximately HK\$136.6 million in 2024. In Hong Kong, our secondment and payroll services revenue surged from approximately HK\$133.6 million in 2024 to approximately HK\$173.1 million in 2025, representing an increase of approximately HK\$39.5 million or 29.5%, reflecting the growing demand from businesses for flexible staffing solutions and the strength of our service capabilities.

Our recruitment services also delivered encouraging results, with total revenue increasing from approximately HK\$76.7 million in 2024 to approximately HK\$80.1 million in 2025, representing a growth of approximately HK\$3.4 million or 4.4%. Notably, recruitment service revenue in Hong Kong grew by approximately HK\$5.4 million or 10.4% from approximately HK\$51.6 million in 2024 to approximately HK\$57.0 million in 2025, signalling a welcome recovery in hiring confidence across sectors. This rebound is consistent with Hong Kong's improved economic performance in 2025 and increased business activity in key industries such as financial services, technology, and healthcare.

As a human resources services company, our people remain the cornerstone of our success. In 2025, we continued to invest strategically in our secondment services workforce to support growing client demand. Seconded staff costs increased by approximately HK\$36.6 million or 29.9% from approximately HK\$122.3 million for the year ended 31 December 2024 to approximately HK\$158.9 million for the year ended 31 December 2025. This increase was proportionate to and in line with the growth in revenue from our secondment and payroll service clients, reflecting the healthy expansion of our business.

Chairman's Statement

The Group's return to profitability in 2025 is the result of years of strategic groundwork, including the diversification of our revenue streams, the strengthening of our secondment and payroll services platform, and the disciplined management of operational costs. I am immensely proud of our entire team for delivering these results and I am confident that we have built a solid foundation for sustained growth in the years ahead.

We also took significant strides in strengthening our brand and market presence. The Group was honoured to receive multiple industry awards in 2025, including the HKIHRM HR Excellence Awards for Talent Acquisition Provider, Payroll Provider, and Learning & Development Provider, as well as being recognised as one of the Top 100 Human Resource Service Agencies by HRoot. These accolades underscore our commitment to delivering best-in-class HR solutions to our clients across the region.

OUTLOOK

Looking ahead, the Group enters 2026 with renewed momentum and confidence. While external uncertainties persist, including evolving geopolitical dynamics and shifting global trade patterns, the structural trends underpinning our business remain favourable. The increasing adoption of flexible staffing solutions, the growing demand for comprehensive HR services, and the deepening integration of the Greater Bay Area all present significant opportunities for the Group.

A key milestone in our regional expansion strategy was the establishment of our Qianhai – Hong Kong dual headquarters in December 2025. This strategic initiative, supported by the Qianhai Authority, positions us at the heart of cross-border talent connectivity between Hong Kong and Mainland China, and strengthens our role as a bridge facilitating the flow of talent and business resources across the Greater Bay Area. In addition, our Shanghai office, which commenced operations in 2024, continues to gain traction, further extending our footprint in Mainland China's key economic centres.

In addition to geographic expansion, we are actively extending our service offerings beyond traditional recruitment. Through KOS Solutions, we now provide a suite of HR-related consultancy services, including learning and development, and market intelligence services. Furthermore, in early 2026, we launched KOS Community, a dedicated sub-brand focused on driving social impact through talent solutions, CSR and ESG programme partnerships, and empowerment initiatives. These developments reflect our vision of evolving into a comprehensive one-stop HR and business solutions platform.

We remain deeply committed to talent development and employee engagement. Our people are at the heart of our success, and we will continue to invest in their growth by providing targeted training, mentorship, and resources. By fostering a culture of innovation and collaboration, we aim to empower our team to deliver exceptional service and drive sustainable business growth.

With the positive results of 2025 as our springboard, we are excited about the opportunities that lie ahead. Our strategic focus on innovation, diversification, and regional expansion, coupled with the dedication of our talented team, gives us great confidence in our ability to sustain growth, enhance profitability, and deliver long-term value for our shareholders.

Chairman's Statement

APPRECIATION

In closing, I would like to extend my heartfelt gratitude to our shareholders, clients, and stakeholders for their continued trust and unwavering support. A special acknowledgment is due to our management team and colleagues, whose professionalism, dedication, and tireless efforts have been instrumental in delivering the outstanding results we celebrate today. Their contributions have been invaluable, and I am deeply grateful for their commitment to excellence.

The year 2025 has been a defining year for the Group – one that has validated our strategic direction and demonstrated the resilience and capability of our organisation. As we move forward into 2026, I am confident that our determination, collaborative spirit, and shared vision will propel us to even greater heights. Together, we will continue to strengthen our position as a leading HR services provider in the region and deliver sustained value for the Group and our shareholders.

Chan Ka Kin Kevin

Chairman and Executive Director

Hong Kong, 27 March 2026

Management Discussion and Analysis

BUSINESS REVIEW AND PROSPECTS

Business review

KOS International is a leading human resources (“HR”) service provider that is based in Hong Kong. We believe that hiring the right people is key to the success of every company. As such, we provide impeccable recruitment services to our clients by placing high-calibre candidates that are most suitable for our clients’ vacancies. Together with our secondment and payroll services, learning and development services, outplacement service, market intelligence and salary benchmarking services we extend beyond job placements by providing a complete HR solution for our clients. We have already established offices in Hong Kong, Macau, Shenzhen, Guangzhou, Shanghai and Singapore. In December 2025, the Group further strengthened its regional presence by establishing the Qianhai – Hong Kong SAR dual headquarters, reinforcing our role as a bridge for cross-border talent connectivity within the Greater Bay Area (“GBA”). With the vision of becoming the leading HR service provider in Hong Kong, Mainland China and Southeast Asia, we will continue to grow and expand our team. In addition to the GBA, we are expanding our footprint in other regions of China as well as Southeast Asia in the future.

The year 2025 proved to be a pivotal and rewarding year for the Group, marking a decisive turning point in our growth trajectory. Hong Kong’s economy expanded by 3.5% in 2025, surpassing the government’s earlier forecast of 3.2% and marking the city’s third consecutive year of growth. This improving macroeconomic backdrop, underpinned by robust regional trade flows, recovering domestic consumption, and vibrant financial market activities, provided a more favourable operating environment for the Group. Against this improving landscape, the Group delivered an outstanding set of results, achieving a return to profitability with a net profit of approximately HK\$2.6 million for the year ended 31 December 2025, compared to a net loss of approximately HK\$2.5 million in the previous year. This turnaround reflects the effectiveness of our strategic initiatives, the strength of our diversified service platform, and the dedication of our team.

The Group’s total revenue for the year ended 31 December 2025 demonstrated strong growth, reaching approximately HK\$257.2 million, an increase of approximately 20.6% from approximately HK\$213.3 million for the year ended 31 December 2024. This growth was principally driven by the outstanding performance of our secondment and payroll services, complemented by a recovery in our Hong Kong recruitment services. The Group’s operations in Mainland China maintained steady revenue, while our Singapore office continued to build its presence in the Southeast Asian market.

With Hong Kong’s GDP growing at 3.5% in 2025, up from 2.5% in 2024, the city saw improved business confidence and a gradual recovery in hiring activity across multiple sectors. The value of total retail sales for 2025 as a whole increased by 1.0% compared with 2024, reversing the 7.3% decline seen in the previous year. This economic improvement, coupled with increasing demand for flexible staffing solutions, created a more supportive environment for the Group’s diverse range of HR services.

Management Discussion and Analysis

Recognising the evolving demands and needs of our clients, we have continued to strategically expand our service scope to provide comprehensive solutions beyond traditional recruitment services. Through KOS Solutions, we now offer a suite of HR-related consultancy services, including learning and development, outplacement, market intelligence and salary benchmarking services. Furthermore, in early 2026, we launched KOS Community, a dedicated sub-brand focused on driving social impact through talent solutions, CSR and ESG programme partnerships. These developments reflect our evolution into a comprehensive one-stop HR and business solutions platform.

Throughout 2025, the Group remained steadfast in its commitment to delivering high-quality HR solutions to our clients. Our unwavering focus on operational efficiency, coupled with strategic investment in our people and technology, has been a cornerstone of our success. By fostering a culture of continuous learning and professional development, we have empowered our team to stay ahead of industry trends and deliver innovative solutions that address the unique challenges faced by our clients.

Recognizing the importance of adaptability in a dynamic environment, we have continued to invest in our team of experienced recruiters and industry experts. This investment has been critical in ensuring that we remain well-equipped to meet the evolving needs of our clients. In addition to talent development, we have implemented a range of measures to enhance operational efficiency across our business. These include streamlining internal processes, leveraging technology to improve productivity, and adopting data-driven approaches to decision-making. These initiatives have not only strengthened our ability to deliver results but also positioned us as a forward-thinking leader in the HR services industry.

The total revenue generated from the Group's recruitment services and secondment and payroll services recorded strong growth for the year ended 31 December 2025, as compared to the same period in 2024. The Group's revenue recorded an increase of approximately HK\$43,903,000 or 20.6% from approximately HK\$213,297,000 for the year ended 31 December 2024 to approximately HK\$257,200,000 for the year ended 31 December 2025. The Group achieved a net profit of approximately HK\$2,555,000 for the year ended 31 December 2025, representing a significant improvement from the position of net loss of approximately HK\$2,547,000 for the year ended 31 December 2024.

Revenue from Hong Kong operations

The Hong Kong market showed encouraging signs of recovery in 2025, with the city's GDP improvement, reflecting stronger economic fundamentals and improving business confidence. The value of total retail sales for 2025 as a whole also increased. This improving economic environment, underpinned by robust financial market activities and a recovery in domestic consumption, provided a more supportive backdrop for the Group's Hong Kong operations.

Our secondment and payroll services continued to be the primary growth engine for the Group's Hong Kong operations. The sustained demand from businesses for flexible staffing solutions, driven by the need to manage costs and maintain operational agility, resulted in a significant expansion of our client base. Revenue from these services grew substantially, reflecting both the increasing adoption of flexible workforce models and the strength of our service capabilities. This diversification has further strengthened our revenue streams and reinforced our position as a leading provider of integrated HR solutions in Hong Kong.

Management Discussion and Analysis

Encouragingly, revenue from recruitment services in Hong Kong also recovered in 2025, signalling improving hiring confidence across key sectors including financial services, technology, and healthcare. The Group's efforts to provide value-added services, such as talent mapping and workforce planning, have been well received by clients and have contributed to the positive revenue trajectory.

The revenue generated from recruitment services in Hong Kong recorded an increase of approximately HK\$5,386,000 or 10.4% from approximately HK\$51,584,000 for the year ended 31 December 2024 to approximately HK\$56,970,000 for the year ended 31 December 2025. For secondment and payroll services, the team has continued our business development strategies and focused on bringing in new clients with better margins. Due to the increase in the number of clients, the revenue generated from secondment and payroll services in Hong Kong recorded an increase of approximately HK\$39,481,000 or 29.5% from approximately HK\$133,623,000 for the year ended 31 December 2024 to approximately HK\$173,104,000 for the year ended 31 December 2025. With the Group's dedicated staff and established processes, the Group fulfilled the needs and expectations of our clients and considerably reduced their time and costs for communication and administrative tasks with regards to payroll.

Revenue from Mainland China operations

The Group's operations in Mainland China delivered a steady performance in 2025, reflecting our ability to maintain market share and client relationships in a complex but improving business environment. The Chinese economy grew at 5.0% in 2025, meeting the government's annual target, despite persistent challenges including structural reforms, subdued domestic demand, and evolving global trade dynamics. Services and advanced manufacturing provided key support to the economy, while consumption and investment recovery remained uneven across sectors.

Our offices in Shenzhen, Guangzhou and Shanghai continued to focus on delivering exceptional services to our clients, aligning our offerings with the region's economic priorities and growth trajectories. The establishment of our Qianhai – Hong Kong SAR dual headquarters in December 2025, supported by the Qianhai Authority, represents a significant milestone in our Mainland China strategy. This initiative positions us at the heart of cross-border talent connectivity between Hong Kong and Mainland China and strengthens our role as a bridge facilitating the flow of talent and business resources across the Greater Bay Area.

Furthermore, we have placed a strong emphasis on talent development and operational excellence to drive long-term growth. By investing in our team of recruiters and industry experts, we have ensured that we remain well-equipped to navigate the complexities of the Mainland China market. Our commitment to innovation and efficiency has also enabled us to optimize our processes and deliver superior outcomes for our clients.

The Group's recruitment revenue from Mainland China remained stable, increasing from approximately HK\$20,134,000 for the year ended 31 December 2024 to approximately HK\$20,317,000 for the year ended 31 December 2025, indicating an increase of approximately HK\$183,000 or 0.9%. This stability, achieved against a backdrop of considerable macroeconomic uncertainty, reflects the resilience of our client relationships and the quality of our service delivery.

Management Discussion and Analysis

The following strategies and expansion plans continue to be in place across our Mainland China offices:

- Follow the “Outline Development Plan for GBA” (粵港澳大灣區發展規劃綱要) to increase our presence in the technology, consumer, and property sectors, mainly in Shenzhen, Guangzhou and Shanghai, leveraging the newly established Qianhai dual headquarters as a strategic hub;
- Enhance the quality of our current teams through more structured internal and external training; and
- Improve public visibility and brand awareness with the existing in-house marketing team.

We remain confident in the growth potential of our Mainland China operations. The Group’s strategic focus on diversification, client-centric solutions, and geographic expansion positions us well to capitalize on emerging opportunities. We are committed to further strengthening our presence in the region, exploring new business avenues, and delivering sustainable value for our clients and shareholders.

The steady revenue from Mainland China operations is a testament to the hard work and dedication of our team, as well as the effectiveness of our strategic initiatives. As we move forward, we will continue to build on this foundation, leveraging our expertise and resources to drive further growth and solidify our position as an excellent HR services provider in Mainland China.

Revenue from Singapore operations

The recruitment landscape in Singapore presented a more nuanced picture. While the broader economy performed well, hiring sentiment moderated during the year, with Singapore’s net employment outlook declining to more than 20% in Q4 2025, the lowest since Q3 2024. Several structural factors contributed to this shift, including the implementation of higher Employment Pass salary thresholds, tighter S-Pass quotas, and the introduction of the COMPASS framework, which collectively raised the cost and scrutiny of foreign workforce hiring. These policy changes, while positive for Singapore’s long-term workforce development, created a more selective hiring environment in the near term.

Additionally, the recruitment market saw increased competition as jobseeker growth outpaced job creation, with employers becoming more selective and shifting towards contract and project-based hiring arrangements. Many firms adopted a more cautious approach to permanent recruitment, prioritising skills relevance and immediate impact over workforce expansion. These dynamics affected our Singapore recruitment revenue, which decreased from approximately HK\$4,957,000 for the year ended 31 December 2024 to approximately HK\$2,788,000 for the year ended 31 December 2025, indicating a decrease of approximately HK\$2,169,000.

Notwithstanding the near-term revenue decline, we remain firmly positive about our Southeast Asian expansion strategy. Singapore continues to be a strategic regional business hub with a tight labour market and growing demand for specialised talent across sectors such as financial services, technology, and healthcare. The structural trends underpinning Singapore’s talent market – including an ageing workforce, persistent skills shortages in critical sectors, and increasing demand for AI and digital capabilities – present significant medium-term opportunities for the Group. We are committed to deepening our presence in Singapore and using it as a springboard for further expansion into the broader Southeast Asian market.

Management Discussion and Analysis

Looking ahead

Building on the strong results of 2025, the Group enters 2026 with renewed momentum and confidence. The return to profitability demonstrates the effectiveness of our strategic initiatives and provides a solid foundation for sustained growth. Our strategic focus on diversification, operational efficiency, and talent development positions us well to capitalize on emerging opportunities and deliver continued growth.

Looking ahead, the Group will focus on consolidating our gains and accelerating growth in key markets. We will concentrate resources on sectors with strong growth potential, leveraging our expanded service platform to deliver comprehensive HR solutions. We will continue to recruit, train, and retain top-tier recruitment talent to support our long-term organic growth strategy, and will invest in professional development programs and leadership training to ensure our team remains equipped to meet the evolving needs of our clients.

Furthermore, we will focus on driving productivity and profitability through disciplined measures in team composition, geographic focus, and performance monitoring. By optimizing our operations, we aim to enhance efficiency and maintain our trajectory towards sustainable profitability. We will continue with our expansion strategy to explore new market opportunities and potential investments that align with our core business and offer synergistic benefits.

To generate and preserve value over the longer term, and deliver the Group's objectives, the Group will in 2026:

- Build on our return to profitability by further strengthening revenue growth and margin improvement across all service lines;
- Leverage the Qianhai – Hong Kong SAR dual headquarters to deepen cross-border talent connectivity and expand our Greater Bay Area client base;
- Invest in the Group's team serving key sectors in Hong Kong, as well as businesses in Mainland China and Singapore, while closely monitoring performance and return on investment;
- Drive activity, productivity, and profitability with stringent measures in terms of team composition, discipline, and geography;
- Recruit selectively, as well as train, develop, and retain quality recruitment talent who are vital to the Group's long-term organic growth strategy;
- Maintain sound liquidity and cashflow management practices; and
- Stay ahead of the market and pay close attention to potential investment opportunities that provide good returns and/or have synergy with our core business.

Management Discussion and Analysis

The Group is well-positioned to continue its growth trajectory and seize opportunities as they arise. We remain committed to our vision and core values, and we are confident that our strategic focus, dedicated team, and strong momentum will enable us to build on the achievements of 2025 and deliver long-term value for our shareholders.

The path ahead is filled with exciting possibilities. By staying agile, innovative, and client-focused, we will continue to strengthen our business and deliver value to our shareholders, clients, and stakeholders.

FINANCIAL REVIEW

Revenue

Our revenue was derived from the provision of recruitment services and secondment and payroll services.

The Group's revenue amounted to approximately HK\$257,200,000 for the year ended 31 December 2025, increased by approximately HK\$43,903,000 or 20.6% as compared to approximately HK\$213,297,000 for the year ended 31 December 2024.

Set forth below is a breakdown of the total revenue during the years ended 31 December 2025 and 2024:

	For the year ended 31 December			
	2025		2024	
	HK\$'000	% of revenue	HK\$'000	% of revenue
Recruitment services				
– Hong Kong	56,970	22.2	51,584	24.2
– Mainland China	20,317	7.9	20,134	9.5
– Singapore	2,788	1.1	4,957	2.3
	80,075	31.2	76,675	36.0
Secondment and payroll services				
– Hong Kong	173,104	67.3	133,623	62.6
– Macau	3,406	1.3	2,999	1.4
– Mainland China	615	0.2	–	–
	177,125	68.8	136,622	64.0
Total revenue	257,200	100.0	213,297	100.0

Management Discussion and Analysis

(i) Revenue from recruitment services

We provide recruitment services primarily in Hong Kong, Mainland China and Singapore. Revenue from recruitment services amounted to approximately HK\$80,075,000 for the year ended 31 December 2025 and approximately HK\$76,675,000 for the year ended 31 December 2024, representing approximately 31.2% and 36.0% of the total revenue, respectively.

The increase in the Group's recruitment service revenue was primarily due to a recovery in hiring confidence across sectors, consistent with Hong Kong's improved economic performance in 2025 and increased business activity in key industries.

The recruitment service revenue in Hong Kong increased by approximately HK\$5,386,000 or 10.4% from approximately HK\$51,584,000 for the year ended 31 December 2024 to approximately HK\$56,970,000 for the year ended 31 December 2025. The recruitment service revenue in Mainland China slightly increased by approximately HK\$183,000 or 0.9% from approximately HK\$20,134,000 for the year ended 31 December 2024 to approximately HK\$20,317,000 for the year ended 31 December 2025. The recruitment service revenue in Singapore decreased by approximately HK\$2,169,000 or 43.8% from approximately HK\$4,957,000 for the year ended 31 December 2024 to approximately HK\$2,788,000 for the year ended 31 December 2025.

(ii) Revenue from secondment and payroll services

We provide secondment and payroll services in Hong Kong, Mainland China and Macau. Revenue from secondment and payroll services amounted to approximately HK\$177,125,000 for the year ended 31 December 2025 and approximately HK\$136,622,000 for the year ended 31 December 2024, representing approximately 68.8% and 64.0% of the total revenue, respectively. The revenue from secondment and payroll service increased by approximately HK\$40,503,000 or 29.6%. Such increase was mainly attributable to reflecting the growing demand from businesses for flexible staffing solutions and the strength of our service capabilities.

(iii) Revenue by geographical location

During the years ended 31 December 2025 and 2024, Hong Kong remained as our major market, which contributed approximately 89.5% and 86.8% of the total revenue, respectively. The revenue generated from Hong Kong increased by approximately HK\$44,867,000 or 24.2% from approximately HK\$185,207,000 for the year ended 31 December 2024 to approximately HK\$230,074,000 for the year ended 31 December 2025. The revenue generated from Mainland China increased by approximately HK\$798,000 or 4.0% from approximately HK\$20,134,000 for the year ended 31 December 2024 to approximately HK\$20,932,000 for the year ended 31 December 2025. The revenue generated from Singapore decreased by approximately HK\$2,169,000 from approximately HK\$4,957,000 for the year ended 31 December 2024 to approximately HK\$2,788,000 for the year ended 31 December 2025. The revenue generated from Macau increased by approximately HK\$407,000 from approximately HK\$2,999,000 for the year ended 31 December 2024 to approximately HK\$3,406,000 for the year ended 31 December 2025.

Management Discussion and Analysis

Other income

Other income decreased by approximately HK\$125,000 or 7.7% from approximately HK\$1,613,000 for the year ended 31 December 2024 to approximately HK\$1,488,000 for the year ended 31 December 2025. This decrease was primarily driven by the decline in fixed deposit rates during the year. The lower interest environment reduced returns on the Group's deposit holdings, resulting in a contraction of other income even though the bank balances and cash in 2025 were higher than in 2024.

Staff costs

Staff costs comprise (i) the salaries and other staff benefits the Group paid to its internal staff for carrying on and in support of its business operation; and (ii) the labour cost associated with deployment of seconded staff for the secondment and payroll services. The majority of the internal staff costs are the salaries and other staff benefits relating to the consultants for carrying on the recruitment services.

For the year ended 31 December 2025, the staff costs were approximately HK\$227,987,000 (2024: approximately HK\$187,687,000), which accounted for approximately 88.6% (2024: approximately 88.0%) of the revenue. Seconded staff costs for the year ended 31 December 2025 was approximately HK\$158,913,000 (2024: approximately HK\$122,321,000), representing approximately 69.7% of the total staff costs (2024: approximately 65.2%). The internal staff costs amounted to approximately HK\$69,074,000 for the year ended 31 December 2025 (2024: approximately HK\$65,366,000), representing approximately 30.3% of the total staff costs (2024: approximately 34.8%).

The staff costs increased by approximately HK\$40,300,000 or 21.5%. The seconded staff costs increased by approximately HK\$36,592,000 or 29.9% which were in line with the increase in revenue derived from secondment and payroll services. The Group's internal staff costs increased by approximately HK\$3,708,000 or 5.7%. This increase was primarily attributed to (i) the growth in recruitment service revenue as well as secondment and payroll service revenue, driven by commission-based bonuses awarded to consultants whose sales exceeded specified thresholds, and (ii) the expansion of the secondment team during the third and fourth quarters of 2024 compared with the full year of 2025.

Other expenses and losses

Other expenses and losses decreased by approximately HK\$3,231,000 or 10.8% from approximately HK\$29,970,000 for the year ended 31 December 2024 to approximately HK\$26,739,000 for the year ended 31 December 2025. Other expenses and losses mainly consist of rent and rates, depreciation, marketing and advertising expenses and insurance costs. The decrease in other expenses and losses for the year was primarily attributable to the reduction in consultancy fees associated with secondment service projects. The lower level of consultancy engagement during the year contributed to a decline in related costs, thereby easing the overall expense burden and improving cost efficiency.

Management Discussion and Analysis

Finance costs

Finance costs represented the interest on lease liabilities, bank borrowings and provision for reinstatement costs. The finance costs increased by approximately HK\$337,000 or 73.6% from approximately HK\$458,000 for the year ended 31 December 2024 to approximately HK\$795,000 for the year ended 31 December 2025. The interest on lease liabilities amounted to approximately HK\$524,000 (2024: approximately HK\$318,000). The interest on bank borrowings and provision for reinstatement costs amounted to approximately HK\$241,000 (2024: approximately HK\$115,000) and approximately HK\$30,000 (2024: approximately HK\$25,000), respectively.

Income tax (expense) credit

Income tax expense increased by approximately HK\$1,605,000 from the income tax credit of approximately HK\$352,000 for the year ended 31 December 2024 to the income tax expense of approximately HK\$1,253,000 for the year ended 31 December 2025. The increase was primarily attributable to the increase in estimated assessable profits from the operating subsidiaries of the Group and the recognition of a tax refund for the previous year in 2024.

Profit (loss) and total comprehensive income (expense) for the year

As a result of the foregoing, the Group recorded a net profit of approximately HK\$2,555,000 and total comprehensive income of approximately HK\$2,468,000 for the year ended 31 December 2025 as compared to a net loss of approximately HK\$2,547,000 and total comprehensive expense of approximately HK\$3,066,000 for the year ended 31 December 2024.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group financed its operations primarily with the cash generated from its operations. As at 31 December 2025, the Group had bank balances and cash of approximately HK\$41,405,000 (2024: approximately HK\$24,692,000), and the Group had pledged bank deposit of HK\$2,000,000 (2024: approximately HK\$2,400,000). The pledged bank deposit and most of the bank balances and cash were placed with banks in Hong Kong and Mainland China. As at 31 December 2025, the pledged bank deposit was denominated in Hong Kong dollars. 73.2% and 9.6% (2024: 71.6% and 19.0%) of the Group's bank balances and cash were denominated in Hong Kong dollars and Renminbi respectively, whereas 17.2% (2024: 9.4%) were denominated in United States dollars, MOP, Singapore dollars and Great British Pound. The current ratio, calculated by dividing current assets by current liabilities, as at 31 December 2025 was approximately 2.8 times (2024: approximately 3.6 times).

Management Discussion and Analysis

As at 31 December 2025, the Group had a bank borrowing of HK\$5,000,000 (2024: Nil) and lease liabilities of approximately HK\$7,241,000 (2024: approximately HK\$10,232,000). The bank borrowing was denominated in Hong Kong dollars and was repayable on the last day of the respective loan tenors selected under the facility. The bank borrowing was secured by the pledged bank deposit of HK\$2,000,000 (2024: 2,400,000) and the effective annual interest rate on the bank borrowing is 5.65% (2024: Nil). Interest rates for the leases are fixed on the contract date.

The gearing ratio as at 31 December 2025 was 20.2% (2024: 17.6%). The gearing ratio was calculated by dividing the sum of bank borrowing and lease liabilities by total equity multiplied by 100%. With available bank balances and cash, the Directors are of the view that the Group has sufficient liquidity to satisfy the funding requirements.

FOREIGN EXCHANGE EXPOSURE

Most of the revenue-generating operations of the Group were denominated in Hong Kong dollars. There was no significant exposure to foreign exchange rate fluctuations. As such, no hedging or other arrangements was made by the Group during the years ended 31 December 2025 and 2024.

SHARE STRUCTURE

As at 31 December 2025, the share structure of the Company comprised its issued share capital and reserves.

There has been no change in the Company's share capital during the year ended 31 December 2025. As at 31 December 2025, the total number of issued ordinary shares of the Company was 800,000,000 of HK\$0.01 each.

The reserves recorded an increase of approximately HK\$2,468,000 in 2025 from approximately HK\$50,163,000 in 2024 to approximately HK\$52,631,000 in 2025. The increment was due to the increase of retained profits.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

SIGNIFICANT INVESTMENTS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2025, there were no significant investments held by the Group. There was no plan for any material investments or other additions of capital assets as at the date of this report.

Management Discussion and Analysis

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2025, bank deposit of HK\$2,000,000 (2024: HK\$2,400,000) was pledged to secure the bank facility of the Group. Save as disclosed, the Group did not have any charges on the Group's assets.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities (2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 132 (2024: 133) internal staff and 3,035 (2024: 999) seconded staff. The number of seconded staff increased sharply from 999 as at 31 December 2024 to 3,035 as at 31 December 2025. The significant growth was mainly due to several secondment projects requiring a substantial number of part-time staff. As at 31 December 2025, the Group had 2,736 part-time staff (2024: 705), comprising 14 internal part-time staff (2024: 13) and 2,722 seconded part-time staff (2024: 692). The staff costs of the Group, including Directors' emoluments, amounted to approximately HK\$227,987,000 for the year ended 31 December 2025 (2024: approximately HK\$187,687,000).

The Group's employees are remunerated in accordance with their performance, qualification, work experience and prevailing industry practices. In addition to a basic salary, commission-based bonuses are offered to employees whose sales figures exceed a certain level to attract and retain eligible employees to contribute to the Group. Share options and discretionary bonus are also available to the Group's employees at the discretion of the Directors and depending upon the financial performance of the Group. Employees are provided with relevant in-house and/or external training from time to time.

Biographical Details of Directors

DIRECTORS

Executive Directors

Mr. Chan Ka Kin Kevin ("Mr. Kevin Chan"), aged 48, joined the Group in April 2009 and is the executive Director and chairman of the Company. He was appointed as the Director on 19 December 2017 and was re-designated as an executive Director on 31 January 2018. Mr. Kevin Chan is responsible for the overall strategic planning and business development of the Group. Mr. Kevin Chan is also a director of all subsidiaries of the Group.

Mr. Kevin Chan has more than 16 years of experience in the human resources services industry. Mr. Kevin Chan joined the Group in April 2009 as director and was responsible for overseeing its daily operation and business development. Prior to joining the Group, Mr. Kevin Chan incorporated several private companies in Hong Kong and acted as director, which operated business in the sectors other than the human resources services industry, such as food and beverages and retail.

Mr. Kevin Chan is the elder brother of Mr. Eddie Chan and Mr. Jackson Chan.

Mr. Chan Ka On Eddie ("Mr. Eddie Chan"), aged 43, is the executive Director. He was appointed as the Director on 19 December 2017 and was re-designated as the executive Director on 31 January 2018. Mr. Eddie Chan is responsible for overseeing the day-to-day management and operation of the Group. Mr. Eddie Chan is also a director of all subsidiaries of the Group.

Mr. Eddie Chan has over 22 years of experience in the human resources services industry. Prior to founding the Group, Mr. Eddie Chan has served in senior positions in leading renowned human resources companies including Jobs DB Hong Kong Limited and Monster.com Asia Pacific Limited, focusing on business development. Together with his working experience at Robert Walters (Hong Kong) Limited, Mr. Eddie Chan has acquired in-depth expertise in the human resources service industry which allowed him to manage and supervise daily operations for the Group.

Mr. Eddie Chan is the younger brother of Mr. Kevin Chan and the elder brother of Mr. Jackson Chan.

Biographical Details of Directors

Mr. Chan Ka Shing Jackson (“Mr. Jackson Chan”), aged 43, is the executive Director. He was appointed as the Director on 19 December 2017 and was re-designated as the executive Director on 31 January 2018. Mr. Jackson Chan is responsible for overseeing marketing and execution of strategic and operational planning of the Group. Mr. Jackson Chan is also a director of all subsidiaries of the Group.

Mr. Jackson Chan has over 23 years of experience in the human resources services industry. Prior to joining the Group, Mr. Jackson Chan has served in senior positions in leading renowned human resources companies including Jobs DB Hong Kong Limited and Monster.com Asia Pacific Limited, where he focused on regional business development and enterprise accounts. Together with his working experience at Michael Page International (Hong Kong) Limited, Mr. Jackson Chan has acquired in-depth expertise in the human resources service industry which allowed him to develop and execute strategic plans that expanded the Group’s footprint across Hong Kong, Macau, Mainland China, and Singapore for the Group.

Mr. Jackson Chan is deeply dedicated to community service and youth development. He is a board member of the InspiringHK Sports Foundation, a local charity established in 2012 with a vision of developing better youths through sports, and a director of the Hong Kong Youth Development Alliance. Furthermore, he serves as a Mentor for the Executive Mentoring Programme and a Founding Member of the College Alumni Advisory Board (CAAB) at the City University of Hong Kong, a Member of the Advisory Committee on Graduate Employment at Hong Kong Baptist University, and a Mentor at the Hong Kong Police Force’s Leadership Institute on Narcotics.

Mr. Jackson Chan obtained a professional diploma in marketing jointly awarded by The Chinese University of Hong Kong and the Hong Kong Institute of Marketing in 2005, and an Executive Master of Business Administration (EMBA) degree from the City University of Hong Kong in 2024. He also completed executive education programs at the Yale School of Management and HEC Paris in 2023. In recognition of his entrepreneurial excellence, he was awarded the HSUHK Outstanding Young Entrepreneurs Award in 2022 and named one of the Fifth Greater Bay Area Outstanding Young Entrepreneurs in 2024.

Mr. Jackson Chan is the younger brother of Mr. Kevin Chan and Mr. Eddie Chan.

Ms. Yeung Shek Shek Louisa (“Ms. Yeung”), aged 60, joined the Group in April 2017 as chief executive officer of the Group and was appointed as an executive Director on 1 October 2024. On 30 June 2025, she was appointed as a member of the nomination committee of the Company. Ms. Yeung is responsible for overseeing the daily operation, training and development of our employees and formulating the overall strategies and planning of the Group with the Board.

Ms. Yeung has approximately 29 years of experience in the human resources services industry. Prior to joining the Group, from July 1988 to April 1997, she worked at Price Waterhouse (currently known as PricewaterhouseCoopers) and her last position was tax manager. From April 1997 to March 2017, she worked at Michael Page International (Hong Kong) Limited and she had been director of finance in Hong Kong and South China region between December 2006 and June 2011 and managing director of Hong Kong and South China region between July 2011 and August 2013, and her last position was managing director in Page Executive Greater China division since 2013, where she was responsible for building the Page Executive brand and establishing the recruitment business operations in Shenzhen and Guangzhou in China, and the company had 10 offices in China when she left.

Biographical Details of Directors

Ms. Yeung was awarded professional diploma (with distinction) in company secretaryship and administration by Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) in November 1988. She became an associate of The Institute of Chartered Secretaries and Administrators (currently known as The Chartered Governance Institute) in August 1991. Ms. Yeung became a fellow of The Association of Chartered Certified Accountants in March 1997, a fellow of Hong Kong Institute of Certified Public Accountants in February 2001 and a fellow of CPA Australia in October 2008.

Independent non-executive Directors

Mr. Poon Kai Kin (“Mr. Poon”), aged 63, was appointed as an independent non-executive Director on 13 September 2018. He is the chairman of the audit committee of the Company and a member of the remuneration committee and the nomination committee of the Company.

Mr. Poon has approximately 23 years of experience in the human resources services and finance industries. Prior to joining the Group, he worked at Ernst & Whinney (currently known as Ernst & Young) from October 1987 to August 1992 and his last position was deputy manager. Mr. Poon was co-founder and director of Jobs DB Hong Kong Limited from June 1998 to June 2006. Mr. Poon is a member of Hong Kong Institute of Certified Public Accountants and has been a member of Australia Society of Accountants (currently known as CPA Australia) since February 1987.

Mr. Poon graduated from University of New England with a degree of bachelor of financial administration in April 1986 and later obtained a degree of master of commerce awarded by University of New South Wales in October 1987.

Dr. Lau Kin Shing Charles (“Dr. Lau”), aged 70, was appointed as an independent non-executive Director on 1 February 2021. He is the chairman of the remuneration committee of the Company and a member of the audit committee and the nomination committee of the Company.

Dr. Lau possesses about 39 years executive experiences in corporate control, financial management, risk management and internal control gained from international listed companies. Dr. Lau is also an independent director of Lingyi iTech (Guangdong) Company Limited* (廣東領益智製造股份有限公司) (stock code: 002600) since June 2021, a company whose shares are listed on the Shenzhen Stock Exchange.

Dr. Lau successively served as the chief financial officer, an executive director and the company secretary of Sitoy Group Holdings Limited (stock code: 1023) from August 2015 to July 2021, a company whose shares are listed on the Main Board of the Stock Exchange. Before joining Sitoy Group Holdings Limited, he held key corporate executive positions in various conglomerates, including vice president of China Resources Enterprise, Limited (stock code: 291, currently known as China Resources Beer (Holdings) Company Limited), deputy head of internal audit for Hutchison Whampoa Limited, executive director and chief investment officer of China Public Procurement Limited (stock code: 1094, currently known as Cherish Sunshine International Limited), and chief financial officer and company secretary of Miramar Hotel and Investment Company, Limited (stock code: 71).

* The English name is for identification purpose only

Biographical Details of Directors

Dr. Lau holds a Doctorate degree in Business Administration from the Newcastle University of Australia, Master degree in Information System Management from the National University of Ireland, and a Bachelor degree in Accounting from the Curtin University of Technology, Australia. He is a Chartered Accountant (New Zealand & Australia), Certified Internal Auditor (US), and also a fellow member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants and a fellow member of CPA Australia.

Mr. Cheung Wang Kei Wayne (“Mr. Cheung”), aged 48, was appointed as an independent non-executive Director on 12 October 2021. He is the chairman of the nomination committee of the Company and a member of the audit committee and the nomination committee of the Company.

Mr. Cheung possesses more than 24 years of executive experience in corporate control, management, risk management and advisory services. Mr. Cheung has been appointed as a director of Beautiful Enterprise Company Limited from March 2000, and he is responsible for the overall day-to-day management of the business involved in consumer electronics manufacturing. Mr. Cheung is also the founder and chief executive officer of three companies: Twine International Limited in June 2009, Twine Co., Limited in October 2018, and Wayne Cheung Capital Limited in November 2018. Both Twine International Limited and Twine Co., Limited are primarily engaged in the business of consumer electronics manufacturing, whereas Wayne Cheung Capital Limited is primarily focused on investments. Furthermore, Mr. Cheung is a member of the Standing Committee of the Communist Party of China Xing Ning Municipal Committee, and a member of Boston University International Advisory Board.

Mr. Cheung graduated from Boston University of the United States with a degree of bachelor of Science with a major in Engineering in May 1999, and obtained a Certificate of General Management from Harvard Business School of the United States in May 2008.

Report of the Directors

The Directors hereby submit their report together with the audited consolidated financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in providing recruitment services and secondment and payroll services in Hong Kong, Macau, the Mainland China and Singapore.

Particulars of the subsidiaries of the Company as at 31 December 2025 are set out in note 33 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group and a discussion and analysis of the Group's performance during the year under review and a discussion on the Group's future business development and outlook of the Company's business are provided in the section headed "Chairman's Statement" on pages 4 to 6 and "Management Discussion and Analysis" on pages 7 to 17 of this annual report.

Risks and uncertainties

Principal risks and uncertainties that the Group may be facing include (i) the Group's success depends on key management personnel and experienced consultants; (ii) the nature of business of the Group is labour intensive, if we experience any shortage of labour or material increase in staff costs, the Group's business operation and financial results would be adversely affected; and (iii) the software, computer and network systems of the Group may not perform as anticipated and are vulnerable to damage and interruption, which may lead to leakage of personal data of individual candidates.

In addition, various financial risks have been disclosed in note 29 to the consolidated financial statements.

An analysis using financial key performance indicators

An analysis of the Group's performance during the year ended 31 December 2025 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 7 to 17 of this annual report.

Report of the Directors

Environmental protection

The Group recognises its responsibility to protect the environment from its business activities. The Group has endeavored to comply with laws and regulations regarding environmental protection and encourages environmental protection and promotes awareness towards environmental protections to the employees. Details of the Group's development, performance and operation in the environmental aspect are set out in the Environmental, Social and Governance Report ("ESG report") on pages 48 to 88 of this annual report.

Compliance with laws and regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has on-going review the new enacted laws and regulations affecting the operations of the Group. During the year ended 31 December 2025, the Group is not aware of any material non-compliance with the laws and regulations that has a significant impact on the business of the Group.

Relationships with employees and customers

The Group understands that employees are valuable assets. The Group ensures all employees is reasonably remunerated and regularly reviews the remuneration package of employees and other benefits. The Group also understands that it is important to maintain good relationship with its customers to fulfil its short and long-term goals. More information concerning the employees and customers of the Group are set out in the ESG Report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 94 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

DONATIONS

Charitable and other donations made by the Group during the year ended 31 December 2025 amounted to HK\$305,000 (2024: HK\$291,000).

RESERVES

Details of movements in the reserves of the Group and of the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity and note 35 to the consolidated financial statements.

Report of the Directors

DISTRIBUTABLE RESERVES

As at 31 December 2025, the reserves of the Company available for distribution to shareholders under the Companies Act of the Cayman Islands amounted to approximately HK\$3,802,000 (2024: approximately HK\$3,670,000).

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed “Share Options Scheme” of this Report of the Directors, no equity-linked agreement was entered into by the Company during the year or subsisted at the end of the year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

There was no change in the share capital of the Company during the year ended 31 December 2025. Details of the share capital of the Company for the year ended 31 December 2025 are set out in note 26 to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures during the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company’s articles of association and there is no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 156 of this annual report. This summary does not form part of the audited consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

Report of the Directors

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 13 September 2018 (the “Share Option Scheme”).

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 December 2025.

The following is a summary of the principal terms of the Share Option Scheme:

(a) Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Company.

(b) Participants

The participants of the Share Option Scheme include full time or part time employees of the Group (including any Directors, whether executive or non-executive and whether independent or not, of the Company or any subsidiary) and any suppliers, clients, consultants, agents, advisers, franchisees, joint venture partners and related entities to the Group. The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by the Directors from time to time on the basis of the participants contribution to the development and growth of the Group. In order for a person to satisfy the Directors that he is qualified to be (or where applicable, continues to qualify to be) a participant, such person shall provide all such information as the Directors may request for the purpose of assessing his eligibility (or continuing eligibility).

(c) Maximum number of Shares available for issue

As at the date of this annual report, the maximum number of Shares available for issue was 80,000,000 representing 10% of the Shares in issue.

(d) Maximum entitlement of each participant and connected persons

The total number of Shares issued and to be issued upon exercise of all options granted to each participant (including both exercised and outstanding options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the Shares in issue.

(e) Acceptance of options

An offer shall be accepted by the participant concerned within 28 days from the date of the offer of grant of the option. A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

Report of the Directors

(f) Time of exercise of option

The period under which an option may be exercised shall be such period as the Board may in its absolute discretion determine at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant (which is the date of offer of grant if the offer for the grant of the option is accepted) but subject to the early termination of the Share Option Scheme.

(g) Subscription price of Shares

The subscription price of a Share in respect of any option granted under the Share Option Scheme, subject to any adjustments made in accordance with the Share Option Scheme, shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the date of grant of the option (which must be a Business Day); (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a Business Day); and (iii) the nominal value of the Shares.

(h) Duration of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

DIRECTORS

The Directors during the year and up to the date of this Report of the Directors were:

Executive Directors

Mr. Chan Ka Kin Kevin (*Chairman*)
Mr. Chan Ka On Eddie
Mr. Chan Ka Shing Jackson
Ms. Yeung Shek Shek Louisa

Independent Non-executive Directors

Mr. Poon Kai Kin
Dr. Lau Kin Shing Charles
Mr. Cheung Wang Kei Wayne

Report of the Directors

In accordance with the article 84(1) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Mr. Chan Ka Shing Jackson, Dr. Lau Kin Shing Charles and Ms. Yeung Shek Shek Louisa will retire from office by rotation and, both being eligible, offer themselves for re-election as Directors at the forthcoming annual general meeting of the Company.

Emoluments of the Directors and the five highest paid individuals

Details of the Directors' emoluments and of the five highest paid individuals in the Group are set out in note 11 to the consolidated financial statements.

The emoluments of the Directors are subject to review by the remuneration committee of the Company. Their emoluments are determined with reference to their roles and responsibilities in the Group and the prevailing market conditions.

The Company has adopted share option scheme as an incentive to Directors and eligible employees, details of the share option scheme are set out in the Share Options Scheme section above and in note 32 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years and continuing thereafter until terminated by either party by giving not less than three months' notice in writing to the other.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of three years. The term of appointment of Mr. Poon Kai Kin, Dr. Lau Kin Shing Charles and Mr. Cheung Wang Kei Wayne will expire on 11 October 2027, 31 January 2027 and 11 October 2027, respectively.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of Directors of the Company at the date of this Report of the Directors are set out in the Biographical Details of Directors section on pages 18 to 21 of this annual report.

Report of the Directors

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

There were no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's subsidiaries or its parent company was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2025 was the Company, its subsidiaries or its other associated corporations a party to any arrangement to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2025, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares of the Company

Name of Directors	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital
Mr. Chan Ka Kin Kevin ("Mr. Kevin Chan")	Interest in a controlled corporation and person acting in concert (<i>Note 1</i>)	600,000,000	75%
Mr. Chan Ka On Eddie ("Mr. Eddie Chan")	Interest in a controlled corporation and person acting in concert (<i>Note 1</i>)	600,000,000	75%
Mr. Chan Ka Shing Jackson ("Mr. Jackson Chan")	Interest in a controlled corporation and person acting in concert (<i>Note 1</i>)	600,000,000	75%

Report of the Directors

Note:

1. Among such 600,000,000 Shares, 450,000,000 Shares are registered in the name of KJE Limited and 150,000,000 Shares are registered in the name of Caiden Holdings Limited. KJE Limited is owned as to approximately 33.33% by Mr. Kevin Chan, 33.33% by Mr. Eddie Chan and 33.33% by Mr. Jackson Chan and accordingly each of them is deemed to be interested in all the Shares held by KJE Limited under the SFO. Caiden Holdings Limited is wholly owned by Mr. Chow Ka Wai Raymond ("Mr. Raymond Chow") and Mr. Raymond Chow is therefore deemed to be interested in all the Shares held by Caiden Holdings Limited under the SFO. On 18 January 2018, Mr. Kevin Chan, Mr. Eddie Chan, Mr. Jackson Chan and Mr. Raymond Chow executed a deed of concert parties arrangement and they have been and will be acting in concert pursuant to the deed. Therefore, each of Mr. Kevin Chan, Mr. Eddie Chan and Mr. Jackson Chan is deemed to be interested in all the Shares held by KJE Limited and Caiden Holdings Limited under the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, DEBENTURES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2025, the following person (other than the Directors or chief executive of the Company the interests of which were disclosed above) or corporations had interest or short position in the shares of the Company which were required to be entered in the register of the Company pursuant to section 336 of the SFO:

Long positions in the shares of the Company

Name of substantial shareholders	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of the issued share capital
KJE Limited	Beneficial owner and person acting in concert (<i>Note 1</i>)	600,000,000	75%
Caiden Holdings Limited	Beneficial owner and person acting in concert (<i>Note 1</i>)	600,000,000	75%
Mr. Raymond Chow	Interest in a controlled corporation and person acting in concert (<i>Note 1</i>)	600,000,000	75%

Report of the Directors

Note:

1. Among such 600,000,000 Shares, 450,000,000 Shares are registered in the name of KJE Limited and 150,000,000 Shares are registered in the name of Caiden Holdings Limited. KJE Limited is owned as to approximately 33.33% by Mr. Kevin Chan, 33.33% by Mr. Eddie Chan and 33.33% by Mr. Jackson Chan and accordingly each of them is deemed to be interested in all the Shares held by KJE Limited under the SFO. Caiden Holdings Limited is wholly owned by Mr. Raymond Chow and Mr. Raymond Chow is therefore deemed to be interested in all the Shares held by Caiden Holdings Limited under the SFO. On 18 January 2018, Mr. Kevin Chan, Mr. Eddie Chan, Mr. Jackson Chan and Mr. Raymond Chow executed a deed of concert parties arrangement and they have been and will be acting in concert pursuant to the deed. Therefore, Mr. Raymond Chow is deemed to be interested in all the Shares held by KJE Limited and Caiden Holdings Limited under the SFO.

Save as disclosed above, the Directors were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who had an interest or short position in the securities of the Company that fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFC or were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 31 December 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 December 2025, the largest customer of the Group accounted for approximately 10.1% (2024: approximately 18.7%) of the total revenue of the Group while the five largest customers of the Group in aggregate accounted for approximately 33.5% (2024: approximately 32.5%) of the total revenue of the Group.

Due to the nature of the business of the Group, there is no major suppliers during the year (2024: Nil).

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in these major customers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares at any time during the year ended 31 December 2025 and up to the date of this annual report.

Report of the Directors

PERMITTED INDEMNITY

In accordance with the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of them.

The Company has also taken out and maintained Directors' and officers' liability insurance for the purpose of indemnifying for losses in respect of potential legal actions against the Directors and other officers of the Company.

RETIREMENT BENEFIT COSTS

Other than the contributions to the Mandatory Provident Fund Scheme in Hong Kong, the Social Security Fund in Macau, the state-managed retirement scheme in the PRC and the Central Provident Fund in Singapore, the Group has not operated any other retirement benefit schemes for its employees. Particulars of the retirement benefit schemes are set out in note 31 to the consolidated financial statements.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 33 to 47 of this annual report.

COMPETING INTERESTS

During the year, none of the Directors or the controlling shareholders or their respective close associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

A deed of non-competition (the "Deed of Non-competition") dated 19 September 2018 was executed in favour of the Company by Mr. Kevin Chan, Mr. Eddie Chan, Mr. Jackson Chan and Mr. Raymond Chow (collectively the "Controlling Shareholders") regarding certain non-competition undertakings. The details of the Deed of Non-competition have been disclosed under the section headed "Relationship with Controlling Shareholders" in the prospectus of the Company dated 28 September 2018.

Each of the Controlling Shareholders has given an annual declaration to the Company confirming that he has complied with the non-compete undertakings to the Company under the Deed of Non-competition. The independent non-executive Directors have reviewed the compliance with the Deed of Non-competition and are satisfied that the Controlling Shareholders have complied with the provisions of the Deed of Non-Competition during the year ended 31 December 2025.

Report of the Directors

For the year ended 31 December 2025, there is no contract of significance between the Group and a controlling shareholder of the Company or any of its subsidiaries, including for the provision of services to the Group.

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Directors are not aware of any related party transaction which constituted a connected transaction or continuing connected transaction of the Company required to be disclosed under Chapter 20 of the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 December 2025 and up to the date of this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by D & PARTNERS CPA LIMITED who will retire and, being eligible, offers themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution for re-appointment of D & PARTNERS CPA LIMITED as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Chan Ka Kin Kevin

Chairman and Executive Director

Hong Kong, 27 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices enhancing greater transparency and quality of disclosure as well as more effective internal control.

Throughout the year ended 31 December 2025, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the GEM Listing Rules.

KOS Culture and Values

The Group’s mission is to create Asia’s leading one-stop HR solution platform with quality, service and trust. With this vision, we will grow with our clients and candidates to further our Knowledge, Opportunity and Synergy. Apart from striving for excellence in business performance, the Group attaches great importance to environmental protection, sustainability, diversion and inclusion, and social responsibility.

We believe that a healthy corporate culture across the Group is critical to the company’s sustainable development, as well as achieving its vision and mission. Our board of directors leads the Group by integrating the below core principles into our corporate culture to guide our employees’ behaviour and to ensure that the Group’s vision, values, and business strategy are aligned with it.

(1) Culture of Integrity

The Group cultivates a corporate culture of integrity to establish ethical norms in our employees’ work and business relationships with our partners. A human resources policy is in place to promote an environment of mutual respect by encouraging employees to demonstrate respectful behaviour and an inclusive atmosphere in the workplace. The Group also has an Anti-Corruption Policy to guide the behaviour of our employees. All of these policies are supported by mandatory and regular training courses to instil and reinforce the Group’s values of acting lawfully, ethically, and responsibly.

(2) Culture of Accountability

All the way from the Board, including senior and middle level management down to every individual employee, and through the delegation of authorities, the Group promotes a strong culture of accountability for every individual. Each department and team have clear objectives and goals, which are regularly reviewed and evaluated through an open communication and transparent performance evaluation system for all staff. We have an excellent team who are committed to working together and are accountable for achieving our business goals. These are essential elements to the growth and long-term success of the Group.

Corporate Governance Report

(3) Culture of Agility

In today's dynamic business environment, we continue to support and encourage our team to be flexible, adaptive, and rapid in response. By ensuring that all employees align with the Group's purpose and vision, each team member understands the Group's focus, even during environmental changes and disruptions. Our teams respond to clients and candidates by demonstrating innovation such that the relationship between them becomes stronger over time. Our Board and team leaders adapt the Group's strategy to market dynamics by maintaining a continuous focus on the international markets. In order to combat climate change and drive sustainable growth, the Group also places a great deal of focus on sustainability when developing its business strategies.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions of the Company. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2025.

The Company's code of conduct also applies to all employees who are likely to be in the possession of inside information of the Company. No incident of non-compliance of the Company's code of conduct by the employees was noted by the Company.

BOARD OF DIRECTORS

Board Composition

The board of Directors (the "Board") of the Company currently comprises a total of seven Directors, with four executive Directors namely Mr. Chan Ka Kin Kevin (as Chairman), Mr. Chan Ka On Eddie, Mr. Chan Ka Shing Jackson, and Ms. Yeung Shek Shek Louisa and three independent non-executive Directors namely Mr. Poon Kai Kin, Dr. Lau Kin Shing Charles and Mr. Cheung Wang Kei Wayne. A list containing the names of the Directors and their roles and functions is published on the Company's website and the Stock Exchange's website at www.hkexnews.hk. To the best knowledge of the Company, other than Mr. Chan Ka Kin Kevin, Mr. Chan Ka On Eddie and Mr. Chan Ka Shing Jackson are brothers, there is no financial, business, family or other material or relevant relationship between the members of the Board. Biographical details of the Directors are set out in "Biographical Details of Directors" on pages 18 to 21 of this annual report.

The Company complies at all times during the year ended 31 December 2025 with the requirements under the Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules respectively relating to the appointment of at least three independent non-executive Directors and one of which should have appropriate professional qualifications or accounting or related financial management expertise and the independent non-executive Directors represent at least one-third of the Board.

Corporate Governance Report

Responsibilities

The Board is collectively responsible for formulating the strategic business development, reviewing and monitoring the business performance of the Group. Key and important decisions shall be fully discussed at the board meetings. All Directors have been fully consulted about any matters proposed for inclusion in the notice of board meeting. Matters requiring the Board's approval include review of overall policies, corporate plan of the Company, investment plans which would involve significant risks for the Company, major organisation changes, significant sales, transfers, or other dispositions of property or assets, approval of the annual report, interim report, quarterly report (if any) and approval of interim dividend and recommendation of the final dividend, other matters relating to the Company's business which in the judgment of the executive Directors are of such significance as to merit the Board's consideration. The Board may delegate its authority and responsibilities to the senior management for the day-to-day management and operations of the Group. Approval has to be obtained from the Board prior to any significant transactions being entered into by the senior management.

According to code provision A.2 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company. The Board has reviewed the Company's compliance with the CG Code for the year ended 31 December 2025 and other legal and regulatory requirements set out under code provision A.2.1 of the CG Code. The Board will continue to monitor the legal and regulatory compliance of the Company in accordance with the GEM Listing Rules on an on-going basis.

There is an established mechanism for Directors to seek independent professional advices for them to discharge their duties and responsibilities, and to ensure independent views and input are available to the Board. On 27 March 2026, the Board reviewed the implementation and effectiveness of the mechanism.

Each Director is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities. The Director must seek the prior approval of the Board. In seeking such prior approval, the Director must provide details of the nature of and reasons for the independent professional advice to be sought, the likely cost of obtaining the independent professional advice; and details of the independent adviser. The approval of the Board must not be unreasonably withheld. The Board may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice. All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and the Director in their personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including, for example, matters relating to the Director's contract of employment with the Company (in the case of an executive director) or any dispute between the Director and the Company. Unless the Board otherwise determines, any advice received by an individual Director will be circulated to the Board.

Independence of Independent Non-executive Directors

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules, and the nomination committee of the Company has assessed the independence of each of the independent non-executive Directors and the Company considers that all independent non-executive Directors meet the guidelines for assessing independence set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with terms of the guidelines.

Corporate Governance Report

As at the date of this annual report, none of the independent non-executive Directors has served the Company for more than nine years and none of them, individually, held directorships in 7 or more listed public companies (including the Company).

Board, Board Committees and General Meetings

Three Board meetings and one general meeting were held during the year ended 31 December 2025. The chairman of the Board met with the independent non-executive Directors without the presence of executive Directors during the year.

Here below is the attendance record of Directors at the meetings held during the year ended 31 December 2025:

	2025 AGM	Number of meetings attended/held			Nomination Committee
		Board	Audit Committee	Remuneration Committee	
Executive Directors					
Mr. Chan Ka Kin Kevin	1/1	4/4	N/A	N/A	N/A
Mr. Chan Ka On Eddie	1/1	4/4	N/A	N/A	N/A
Mr. Chan Ka Shing Jackson	1/1	4/4	N/A	N/A	N/A
Ms. Yeung Shek Shek Louisa (appointed as a member of the nomination committee on 30 June 2025)	1/1	4/4	N/A	N/A	0/1
Independent non-executive Directors					
Mr. Poon Kai Kin	1/1	4/4	4/4	1/1	1/1
Dr. Lau Kin Shing Charles	1/1	4/4	4/4	1/1	1/1
Mr. Cheung Wang Kei Wayne	1/1	4/4	4/4	1/1	1/1

The Company's last annual general meeting was held on 16 May 2025 (the "2025 AGM"). The chairman of the Board, and the chairmen of the Audit Committee, Remuneration Committee and Nomination Committee as well as the external auditor of the Company attended the 2025 AGM.

Evaluation for the Board and Board Committees

The Company conducts evaluation on the performance of the Board and its Committees every two years since 2022. The evaluation for the Board and Board Committees was last conducted in March 2025.

Corporate Governance Report

DIRECTORS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance cover for the Directors' and Officers' liabilities in respect of potential legal actions against the Directors and officers of the Company.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Development and training of Directors is an ongoing process so that they can perform their duties appropriately.

During the year ended 31 December 2025, the Company has arranged an anti-corruption training as part of continuous professional development for the Directors and staff to enhance their anti-corruption awareness. Update on changes to the GEM Listing Rules are also provided by the company secretary of the Company where Directors are informed of the impact of such developments or changes to the Company and the external auditors has also provided briefing on changes or amendments to accounting standards at the audit committee meeting. All Directors, namely Mr. Chan Ka Kin Kevin, Mr. Chan Ka On Eddie, Mr. Chan Ka Shing Jackson, Ms. Yeung Shek Shek Louisa, Mr. Poon Kai Kin, Dr. Lau Kin Shing Charles and Mr. Cheung Wang Kei Wayne, had participated in appropriate continuous professional development by way of attending trainings and/or reading materials.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense, and they have been requested to provide the Company with their training records.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of chairman and chief executive officer of the Company are held separately by Mr. Chan Ka Kin Kevin and Ms. Yeung Shek Shek Louisa respectively.

The chairman is responsible for management of the Board and strategic planning of the Group, ensures that the Board works effectively and discharges its responsibilities, encourages all Directors to make a full and active contribution to the Board's affairs and takes the lead to ensure that the Board acts in the best interests of the Group. The role of chief executive officer is responsible to undertake the day-to-day management of the Group's business.

The separation of duties of the chairman and chief executive officer of the Company ensures a clear distinction between the chairman's responsibility for running the Board and the chief executive officer's responsibility for running the Group's business.

Corporate Governance Report

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy which sets out the approach of which the Board could achieve a higher level of diversity. The Company recognises the benefits of having a diversified Board to enhance the quality of its performance. In summary, the board diversity policy sets out that when considering the nomination and appointment of a director, with the assistance of the nomination committee, the Board would consider a number of factors, including but not limited to gender, age, cultural and educational background, professional experience and qualification, skills and length of service of the prospective candidate. The ultimate decision of the appointment will be based on merit and the contribution which the prospective candidate would bring to the Board. All Board appointments will be considered against objective criteria, having due regard to the benefits of diversity on the Board in order to best serve the shareholders and other stakeholders of the Company going forward.

The nomination committee of the Company has conducted the annual review of the Board composition and the implementation of the board diversity policy. Based on different measurable objectives on the board diversity, the nomination committee (and the Board) recognises the importance and benefits of gender diversity at the Board level and shall continue to take initiatives to identify female candidate(s) to enhance the gender diversity among the Board members.

DIVERSITY IN BOARD AND WORKFORCE

Board Level

As at the date of this annual report, the Board comprises seven members, amongst them, three are independent non-executive Directors. All the executive Directors possess extensive experience in human resources services industry. The independent non-executive Directors possess extensive knowledge and experience in human resources services, corporate control and advisory services, finance as well as accounting and auditing. Furthermore, the Board has a wide range of age, ranging from 43 years old to 70 years old. Taking into account the existing needs of the Company, the combination of the Board would bring about the necessary balance of skills and experience appropriate for the requirements of the business development of the Company, despite the lack of gender diversity.

Pursuant to Rule 17.104 of the GEM Listing Rules, the Stock Exchange will not regard a single gender board of directors as achieving member diversity. As at the date of this annual report, the directors of the Board has achieved diversity under Rule 17.104 of the GEM Listing Rules. The Company appointed a female director Ms. Yeung Shek Shek Louisa on 1 October 2024.

Corporate Governance Report

Workforce Level

As of 31 December 2024, the Group's total workforce (including senior management) comprised 52.98% (2024: 66.25%) female and 47.02% (2024: 33.75%) male. Further details of the Group's workforce composition are provided in the section headed "Employment and Labour Practices" in the Environmental, Social and Governance Report of this annual report.

The Company welcomes all gender to join. The recruitment strategy is to employ a right staff for a right position regardless of the gender. The Company commits to provide equal opportunities to its staff in respect of recruitment, training and development, job advancement, and remuneration and benefits.

BOARD COMMITTEES

The Board has established three committees, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") with defined terms of reference.

Audit Committee

The Audit Committee was established on 13 September 2018 in compliance with Rule 5.28 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code, with the latest version adopted with effect from 28 December 2018. It currently comprises three independent non-executive Directors, namely Mr. Poon Kai Kin, Dr. Lau Kin Shing Charles and Mr. Cheung Wang Kei Wayne. Mr. Poon Kai Kin is the chairman of the Audit Committee.

The primary duties of the Audit Committee include making recommendations to the Board on the appointment and approval of external auditors, reviewing and supervising the financial statements and material advice in respect of financial reporting, overseeing internal control procedures, supervising internal control and risk management systems of the Group and monitoring continuing connected transactions (if any).

During the year ended 31 December 2025, the Audit Committee held four meetings and one meeting was attended by the Company's external auditor. The attendance of each of the members of the Audit Committee was set out on page 36 of this annual report.

The following is a summary of work performed by the Audit Committee during the year ended 31 December 2025:

- (i) Reviewed the annual report and the annual results announcement for the year ended 31 December 2024, with a recommendation to the Board for approval;
- (ii) Reviewed the external auditor's independence and its report in relation to the audit of the Group for the year ended 31 December 2024, and recommended to the Board on the re-appointment of the external auditor of the Company at the annual general meeting of the Company;

Corporate Governance Report

- (iii) Reviewed the effectiveness of the risk management and internal control systems of the Group;
- (iv) Reviewed the interim report and the interim results announcement for the six months ended 30 June 2025, with a recommendation to the Board for approval; and

Prior to the commencement of the audit of the Group's 2025 financial statements, the Audit Committee has discussed with the external auditor the audit planning work (including the nature and scope of the audit and reporting obligations), received confirmation from the external auditor of its independence and approved the audit fees.

Remuneration Committee

The Remuneration Committee was established on 13 September 2018 in compliance with Rule 5.34 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code, with the latest version adopted with effect from 23 December 2022. It currently comprises three independent non-executive Directors, namely Mr. Poon Kai Kin, Dr. Lau Kin Shing Charles and Mr. Cheung Wang Kei Wayne. Dr. Lau Kin Shing Charles is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include reviewing and making recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, reviewing other remuneration-related matters, including benefits-in-kind and other compensation payable to the Directors and senior management, and reviewing performance based remunerations, establishing a formal and transparent procedure for developing policy in relation to remuneration, and reviewing matters relating to the share schemes of the Company (as applicable) under Chapter 23 of the GEM Listing Rules.

During the year ended 31 December 2025, the Remuneration Committee held one meeting to review on the policy and structure of the remuneration package of the Directors and senior management. The attendance of each of the members of the Remuneration Committee was set out on page 36 of this annual report.

The Remuneration Committee has adopted the model that it will review the proposal made by the management on the remuneration package of individual executive Directors and senior management and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Corporate Governance Report

The remuneration of the members of the senior management of the Group excluding the Directors by band for the year ended 31 December 2025 is set out below:

Remuneration band	Number of individuals
Nil to HK\$1,000,000	–
HK\$1,000,001 to HK\$1,500,000	–
HK\$1,500,001 to HK\$2,000,000	–

Details of the emoluments of the Directors for the year ended 31 December 2025 are set out in note 11 to the consolidated financial statements.

Nomination Committee

The Nomination Committee was established on 13 September 2018 with written terms of reference in compliance with the CG Code. It currently comprises one executive Director and three independent non-executive Directors, namely Ms. Yeung Shek Shek Louisa, Mr. Poon Kai Kin, Dr. Lau Kin Shing Charles and Mr. Cheung Wang Kei Wayne. Mr. Cheung Wang Kei Wayne is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include reviewing the structure, size, composition and diversity of the Board and monitoring the implementation of the board diversity policy on a regular basis, identifying individuals suitably qualified to become Board members, assessing the independence of independent non-executive Directors, making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and making recommendations to the Board regarding the candidates to fill vacancies on the Board.

During the year ended 31 December 2025, the Nomination Committee held one meeting to review the structure, size and composition of the existing Board; assess the independence of the independent non-executive Directors; recommend the retiring Directors to the Board for it to recommend to the shareholders for re-election at the annual general meeting of the Company; and review the implementation and effectiveness of the board diversity policy. The attendance of each of the members of the Nomination Committee was set out on page 36 of this annual report. The Nomination Committee had recommended the re-nomination of Mr. Chan Ka Shing Jackson, Ms Yeung Shek Shek Louisa and Dr. Lau Kin Shing Charles for re-election at the annual general meeting of the Company to be held on Friday, 15 May 2026. The Board had accepted the Nomination Committee's recommendation.

Corporate Governance Report

Nomination policy

The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to the shareholders of the Company for election as Directors at general meetings or appoint as Directors to fill casual vacancies. When the Nomination Committee considers it appropriate, it invites nominations of candidates from Board members or any person and makes recommendations for the Board's consideration and approval.

In assessing the suitability of a proposed candidate, the Nomination Committee would consider factors including:

- (a) reputation for integrity;
- (b) experience in human resources services industry, management, legal and financial aspects;
- (c) whether the proposed candidate is able to assist the Board in effective performance of its responsibilities;
- (d) the perspectives and skills that the proposed candidate is expected to bring to the Board;
- (e) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- (f) commitment in respect of available time and relevant interest; and
- (g) in the case of selection for independent non-executive Directors, the independence of the proposed candidate.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies, applied them consistently, made judgements and estimates that are prudent and reasonable, and ensured the preparation of the financial statements on the going concern basis.

As at 31 December 2025 and up to the date of this annual report, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt on the Group's ability to continue as a going concern.

The statement by the auditors of the Company, D & PARTNERS CPA LIMITED, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report.

Corporate Governance Report

AUDITOR'S REMUNERATION

The Company engaged D & PARTNERS CPA LIMITED as its auditor for the year ended 31 December 2025. The analysis of the auditor's remuneration for the year ended 31 December 2025 is presented as follows:

Services rendered	Fees paid/payable HK\$'000
Audit services	600

No non-audit services were provided during the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The management identified and evaluated the significant risks relevant to the Group based on their experience in the business environment. They regularly met with frontline employees and continuously monitored business performance comparing to operational plan and financial forecasts. The risk management and internal control systems are in place to cope with potential risk in different areas including liquidity, fraud and financial reporting, operational and compliance risks.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The Board has delegated its responsibility to the Audit Committee to review the Group's risk management and internal control matters on an annual basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year ended 31 December 2025, the Company does not have an internal audit department and is currently of the view that there is no immediate need to set up an internal audit department within the Group in light of the size, nature and complexity of the Group's business. Nevertheless, the Company has engaged an external professional firm, as its risk management and internal control review adviser (the "Adviser") for the year ended 31 December 2025, to conduct the annual review of the risk management system and internal control system that covers financial, operational and compliance controls. The Adviser has reported findings and areas for improvement to the management and Audit Committee, which then reviewed and reported the same to the Board. The Board and Audit Committee are of the view that there are no material internal control defeats noted. The Board considered that the risk management and internal audit control system are effective and adequate.

The Group has formulated the whistleblowing policy for employees to raise concerns, in confidence, about possible improprieties in operation, financial reporting or other matters. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

Corporate Governance Report

The Group is committed to achieving the highest standards of business conduct and has zero tolerance for corruption and related malpractice. The anti-corruption policy of the Group outlines the Group's expectations and requirements of business ethics, as well as the investigation and reporting mechanism of suspected corruption practices.

With respect to the monitoring and disclosure of inside information, the Group has adopted a policy on disclosure of inside information with the aim to ensure that the insiders are abiding by the confidentiality requirement and are fulfilling the disclosure obligation of the inside information.

COMPANY SECRETARY

During the reporting period, Ms. Chang Kam Lai served as the company secretary of the Company. Effective 13 February 2025, Ms. Chang Kam Lai resigned from her position. Following her resignation, Ms. Wong Ka Man was appointed as the company secretary. Ms. Wong Ka Man is a member of the Association of Chartered Certified Accountants, CPA Australia and Hong Kong Institute of Certified Public Accountants.

During the year ended 31 December 2025, Ms. Wong Ka Man undertook no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Procedures to convene an extraordinary general meeting

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company may request the Board to convene an extraordinary general meeting pursuant to the article 58 of the second amended and restated articles of association of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionist(s) and deposited at the principal place of business of the Company in Hong Kong (presently at Suite 610, 6th Floor, Ocean Centre, No. 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong) for the attention of the company secretary of the Company.

If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may convene a meeting, but such meeting shall be held within two months after the deposit of requisition.

Corporate Governance Report

Procedures by which enquiries may be put to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Other shareholders' enquiries can be directed in writing with contact details (including name, address, telephone number and email address) to the principal place of business of the Company in Hong Kong, presently at Suite 610, 6th Floor, Ocean Centre, No. 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong or by email to info@kos-intl.com.

Procedures for putting forward proposals at a general meeting

Proposals shall be directed in writing with contact details (including name, address, telephone number and email address) to the Company's principal place of business in Hong Kong.

The Board will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

DIVIDEND POLICY

The Company seeks to maintain a balance between meeting the shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow shareholders to participate in the Company's profit and for the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Company would consider various factors including the Company and the Group's actual and expected financial performance, the Group's current and future operations, the level of the Group's debts to equity ratio, liquidity position and capital requirement of the Group, general market conditions and any other factors that the Board deems appropriate.

SHAREHOLDERS COMMUNICATION POLICY

The Company has adopted a shareholders' communication policy which aims to ensure the Company's shareholders, both individual and institutional, and in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and business plans, material business developments and corporate governance), in order to enable the shareholders of the Company to exercise their rights in an informed manner, and to allow shareholders of the Company and the investment community to engage actively with the Company.

Corporate Governance Report

The Board maintains an on-going dialogue with shareholders and the investment community, and regularly reviews the policy to ensure its effectiveness. Information is communicated to the shareholders of the Company and investment community mainly through the Company's financial reports (quarterly (if any), interim and annual reports), ESG reports and general meetings, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website.

The communication strategies are as follows:

Shareholders' Enquiries

Shareholders should direct their questions about their shareholdings to the Company's branch share registrar. Shareholders and the investment community may, at any time make a request for the Company's information to the extent such information is publicly available by post addressed to the principal place of business of the Company in Hong Kong or by email to info@kos-intl.com.

Corporate Communications

Corporate communication documents (including annual report, interim report, quarterly report (if any), ESG report, notice of meeting, circular and proxy form) would be provided to shareholders in plain language and in both English and Chinese versions to facilitate shareholders' understanding.

Corporate Website

Information on the Company's website is updated from time to time.

Information released by the Company to the Stock Exchange would be also posted on the Company's website as soon as possible thereafter. Such information includes, but not limited to, financial statements, results announcements, ESG reports, circulars and notices of general meetings and other regulatory disclosures.

All the Company's news regarding the major events and activities of the Group would be made available on the Company's website.

Shareholders' Meetings

Shareholders are encouraged to participate in general meetings. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that shareholder's needs are best served. The chairman of the Board and the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee and external auditor should attend the annual general meeting to answer shareholders' questions.

Corporate Governance Report

Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows, media interviews, marketing activities for investors and specialist industry forums etc. will be launched on an as-required basis.

The Board has conducted the annual review of the implementation and effectiveness of the shareholders' communication policy of the Company, and with the above measures in place, concluded that the policy was implemented effectively during the year.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there were no changes to the memorandum and articles of association of the Company. The latest version of the memorandum and articles of association of the Company is available on the websites of the Company and the Stock Exchange.

Hong Kong, 27 March 2026

Environmental, Social and Governance Report

SCOPE AND REPORTING PERIOD

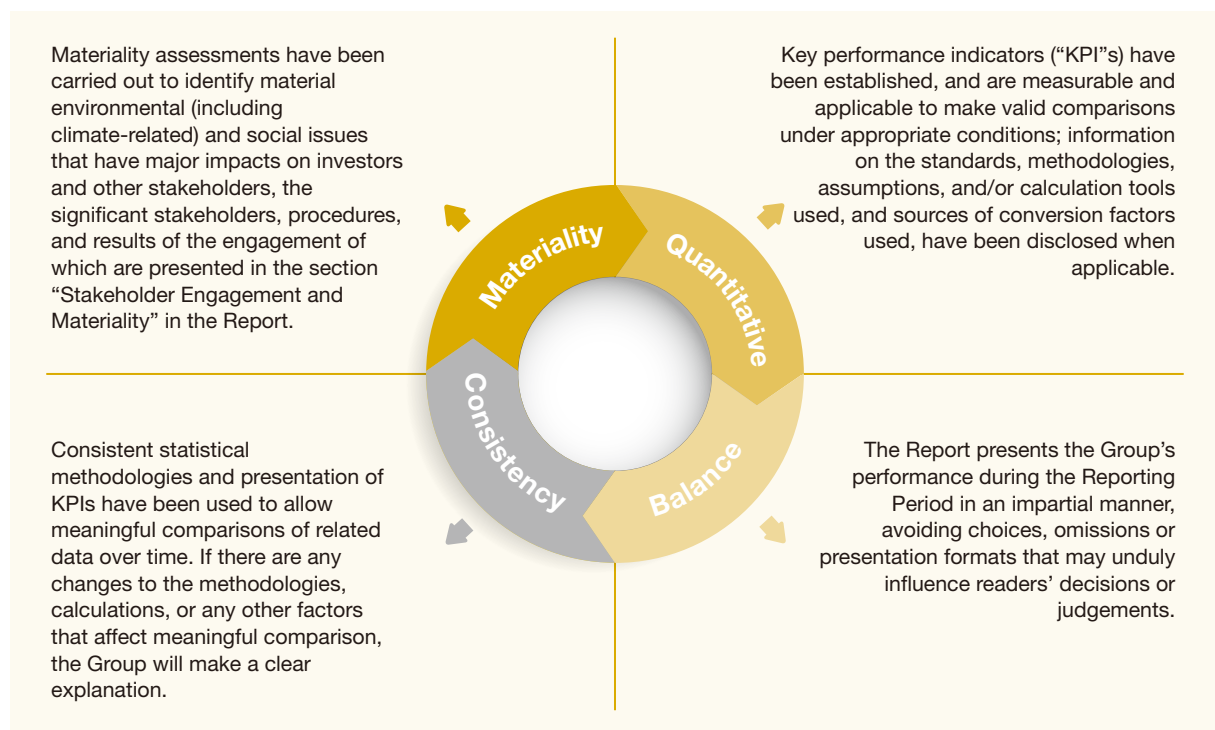
This is the Environmental, Social, and Governance (“ESG”) report (the “Report”) of KOS International Talent Group Limited (the “Company”, and collectively with its subsidiaries referred as the “Group”), to provide an overview of the Group’s management on significant issues affecting the operation and the performance of the Group in terms of environmental and social aspects.

The Group is a Hong Kong-based human resources solutions provider that is dedicated to delivering high quality recruitment, secondment and payroll services to clients. The Report encompasses the Group’s overall environmental and social performances of its major business operations in Hong Kong, Macau, Shenzhen, Guangzhou and Shanghai of the People’s Republic of China (the “PRC”), as well as in Singapore from 1 January 2025 to 31 December 2025 (the “Reporting Period”), unless otherwise stated. Except for the addition of a virtual office in Shenzhen and the merger of two offices in Guangzhou, there were no changes to the reporting boundary compared with the previous reporting. During the Reporting Period, greenhouse gas (“GHG”) emissions (Scopes 1, 2 and 3) are reported using the operational control approach and are aligned with the ESG Reporting Scope. The Report is published annually as part of the broader annual report, and aims to present a clear, accurate, and balanced view of sustainability performance within the Group’s operating context.

Environmental, Social and Governance Report

REPORTING PRINCIPLES

The Report is prepared in accordance with the “Environmental, Social and Governance Reporting Code” (the “ESG Reporting Code”) set out in Appendix C2 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “GEM Listing Rules”) and Guidance provided by the Stock Exchange. The contents covered herein are in compliance with the mandatory disclosure requirements and the provision of “Comply or Explain” as well as four reporting principles of materiality, quantitative, balance and consistency required in the ESG Reporting Code.



REPORTING LANGUAGE

The Report is published in both English and Traditional Chinese versions. In case of discrepancies the English version shall prevail.

Environmental, Social and Governance Report

THE STATEMENT OF THE BOARD OF DIRECTORS

In recent years, the importance of ESG factors has grown exponentially, and we recognise our responsibility to operate not only for our shareholders but also for our employees, clients, communities and the environment. As a corporate citizen, the Group recognises this and continues to make sustainability its operational focus. We are dedicated to improving our sustainability performance in our operations. We understand that sustainability governance is the foundation to successful operation.

The Board is, therefore, responsible in setting our strategic direction, ensuring that our ESG strategy reflects the Group's values and core businesses. In the future, the Board will review the progress made against ESG related goals to guide the Group in monitoring its ESG performance.

At the same time, stakeholders are increasingly nudging corporations to take sustainability factors into consideration when doing businesses. To better understand the demands and expectations of our stakeholders, we invite our employees, shareholders, third-party professionals, and suppliers to participate in a survey to maintain effective communication, allowing us to better accommodate their needs.

The Group leveraged its expertise to support the community through donations and knowledge sharing. During the Reporting Period, we continued to invest in future talent through educational support, formed research partnerships on regional talent mobility, and participated in industry conferences to share market insights. These initiatives reflect our commitment to combining financial support with industry expertise for social impact.

Through embedding sustainability in our business concept, we create greater value for both our stakeholders and society. Without the contribution of our employees, customers, business partners and communities, it would not have been possible for our Group to have achieved so much.

Looking ahead, to tackle future challenges, we will continue to drive our sustainability performance and further incorporate sustainability into our core strategy. The Report sets out our sustainability practices and approaches throughout the past year. We hope the Report will provide our stakeholders with an overview of our sustainability performance.

THE GROUP'S FUTURE DEVELOPMENT AND COMMITMENTS

The Group commits to becoming a responsible corporate which upholds a high standard of corporate governance, strictly follows the code of ethics, advocates for environmental protection and community services, and promotes social responsibility practices. It also embeds social responsibility into its operation and management to facilitate sustainability in economy, society and the environment. The Group's commitments include creating further employment opportunities for disadvantaged groups such as persons with disabilities, the elderly, and rehabilitated persons released from custody; promoting the rights and physical and mental health of the Group's employees; and minimizing the Group's impact on the environment.

Environmental, Social and Governance Report

SUSTAINABILITY GOVERNANCE

The Group identifies and manages ESG (including climate-related) risks in order to achieve its business objectives and ensure its stable development. We adopt a risk management system under a top-down risk management structure. The board of directors (the “Board”) has the overall responsibility of maintaining sound ESG (including climate-related) risk management and internal control systems within the Group. Through exercising oversight on the Group’s management and active and conducive communication with management personnels and employees who are involved in the day-to-day operation of the Group’s business, the Board is able to identify material ESG risks in the aspects of emissions, consumption of resources, impact on natural resources and climate change, as well as other social aspects pertaining to our Group. As part of this, the Board is responsible for identifying and assessing the Group’s significant ESG (including climate-related) risks, determining related risk levels, and formulating countermeasures for which management is implemented by relevant departments and business units. The Board is also responsible for reviewing and monitoring the effectiveness of the Group’s ESG (including climate-related) risk management and internal control systems, for ensuring that the Group has taken reasonable measures to manage significant risks, and has taken the approach to incorporate ESG (including climate-related) risks into its routine risk management process as a means of enhancing its overall risk evaluation, prioritizing and management and control capabilities.

The Board has overall responsibility for the Group’s sustainability strategy and reporting. The sustainability plan of the Group is developed based on results of the ESG Report, which is reviewed on an annual basis and adjusted as needed to align with the long-term business strategy of the Group. The Board understands that the establishment of ESG (including climate-related) targets aids in the Group’s ESG governance. Therefore, the Board sets ESG (including climate-related) targets related to the Group’s business where appropriate, and reviews progress made toward improving the Group’s ESG performance by keeping track of the ESG KPI on a regular basis, in the environmental and social aspects, which are vital and closely related to the human resources business of the Group. The Board will, if necessary, engage independent third parties to evaluate the Group’s ESG (including climate-related) risks and review existing strategies, targets and internal control measures.

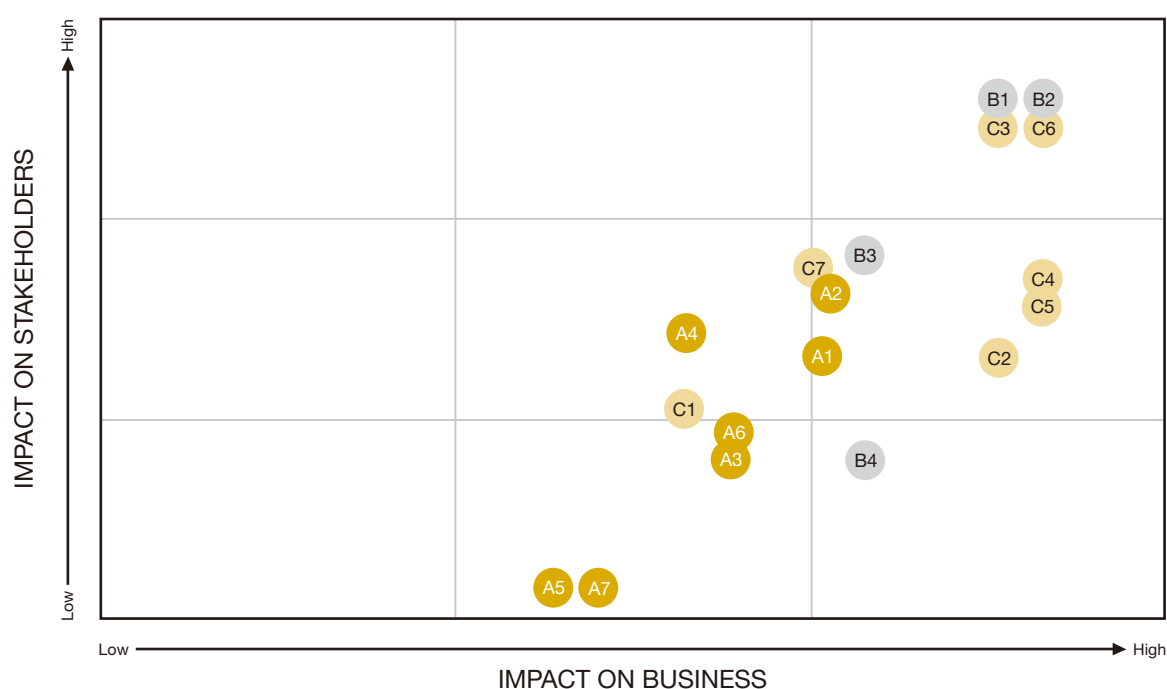
The management team of the Group also delegated the responsibility of assessing and managing ESG-related (including climate-related) issues, including evaluating the impact of ESG-related (including climate-related) risks on our operation, formulating relevant policy in dealing with the risks and ensuring the strategic decisions are implemented. If any ESG (including climate-related) issues are identified, the management team shall meet with the Board to discuss possible solutions. These measures shall ensure the sustainable and responsible growth and operation of the Group. The Board reviews ESG (including climate-related) issues reported by the management at the meetings, which are held at least annually.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT AND MATERIALITY

During the Reporting Period, the Group has specifically engaged the Board, senior management, shareholders, frontline employees, third-party professionals, and suppliers to gain further insights on ESG aspects they find material and relevant challenges that they may induce. A materiality assessment has then been produced according to the engagement as follows.

Materiality of Different Topics from Stakeholder Engagement



Environmental Practices		Labour Practices		Operational Practices	
A1	Energy	B1	Employment	C1	Supply Chain Management
A2	Water	B2	Occupational Health and Safety	C2	Intellectual Property
A3	Air Emission	B3	Development and Training	C3	Data Protection
A4	Waste and Effluent	B4	Labour Standards	C4	Customer Service
A5	Other Raw Materials Consumption			C5	Product/Service Quality
A6	Environmental Protection Measures			C6	Anti-corruption
A7	Climate Change			C7	Community Investment

Environmental, Social and Governance Report

The materiality maps referred to the Sustainability Accounting Standards Board (“SASB”) Standards. According to the assessment, the seven most material topics to the Group are therefore:

1. Employment
2. Occupational Health and Safety
3. Data Protection
4. Anti-corruption
5. Customer Service
6. Development and Training
7. Product/Service Quality

The Group aims to keep close communication with its stakeholders for the identified aspects and continues to improve its ESG performance. The Group also hopes to have better management on ESG-related (including climate-related) risks for future business development. In alignment with the Group’s vision on sustainability, the business will continue to operate with high ethical standards and provide sustainable returns to stakeholders.

STAKEHOLDERS’ FEEDBACK

The Group welcomes stakeholders’ feedback on our ESG approach and performance. Stakeholders can give their suggestions or share their views with us via email to info@kos-intl.com.

A. ENVIRONMENTAL

A1. Emissions

Due to the nature of business, the Group’s operations are office based and their related environmental impact was very minimal. The Group did not note any cases of material non-compliance relating to air and greenhouse gas (“GHG”) emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations.

Environmental, Social and Governance Report

A1.1. Air Emissions

During the Reporting Period, the business operations of the Group did not result in the consumption of any natural gas or diesel directly. Given the nature of the Group's business and our commitment to promoting the use of electric vehicles, only an immaterial amount of fuel was consumed by corporate vehicles. As such, there were no material nitrogen oxides ("NO_x"), sulphur oxides ("SO_x"), or particulate matters ("PM") emissions during the Reporting Period.

A1.2. GHG Emissions

During the Reporting Period, 32.37 (2024: 30.09) tonnes of carbon dioxide equivalent ("tCO₂e") Scope 1 and Scope 2 GHG (mainly carbon dioxide, methane and nitrous oxide) were emitted from the Group's operations, representing a 8% increase from the previous year. This growth is primarily attributable to increased electricity consumption resulting from a substantial rise in our employee headcount during the Reporting Period.

Moreover, due to the expansion of our Scope 3 GHG emissions data collection for business travel to include emissions from other transportation modes and accommodation, in addition to air travel, the reported Scope 3 emissions rose significantly during the Reporting Period. This increase, together with a substantial rise in our employee headcount this year which led to higher business travel demand, contributed to a 75% year-on-year increase in our total Scope 1, 2, and 3 GHG emissions to 91.68 (2024: 52.52) tCO₂e.

The overall Scope 1, 2, and 3 GHG emissions intensity was 71.31 (2024: 38.34) kgCO₂ e per m² of total area, or 28.95 (2024: 46.40) kgCO₂ e per employee.

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

- Scope 1 – "Direct emissions" resulted from operations that are owned or controlled by the Group, mainly including fuel consumed by motor vehicles;
- Scope 2 – "Energy indirect emissions" resulted mainly from the generation of purchased electricity consumed within the Group; and
- Scope 3 – All other indirect emissions from both upstream and downstream that occur outside the Group for which data are available, including emissions generated from electricity usage on water treatment, disposal of waste paper and business travel.

Environmental, Social and Governance Report

See below for the detailed breakdown of 2025 GHG contributions, as well as comparisons with the previous year.

Scope of GHG ^{1,2}	Emission Sources	2025	2024
Scope 1			
Direct Emissions (tCO ₂ e)	Use of vehicles	— ³	— ³
Scope 2			
Energy Indirect Emission (tCO ₂ e)	Purchased electricity	32.37	30.09
Scope 3			
Other Indirect Emissions (tCO ₂ e)	Paper waste disposal	0.09	0.08
	Electricity used for processing fresh water and sewage by third party handler	— ⁴	0.04
	Business travels ⁵	59.22	22.31
Total (tCO₂e)		91.68	52.52
Overall GHG Intensity (kgCO₂eq./m²)		71.31	38.34
Overall GHG Intensity (kgCO₂eq./employee)		28.95	46.40

Notes:

- During the Reporting Period, the instructions of the Reporting Guidance on Environmental KPIs issued by HKEX were referenced to calculate and report the GHG emissions generation.
- The emission factors for calculating the GHG emissions generated during the Reporting Period are mainly referenced from:
 - “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by HKEX;
 - Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2023* (2023年電力二氧化碳排放因子的公告) issued by the Ministry of Ecology and Environment of the PRC;
 - CLP Holding’s 2024 Sustainable Report;
 - General rules for calculation of the comprehensive energy consumption* (綜合能耗計算通則) issued by Standardization Administration of China* (中國國家標準化管理委員會);
 - Research on Energy Consumption of Urban Water Supply Systems in the PRC* (《中國城市供水系統能耗研究》);
 - International Civil Aviation Organisation (ICAO) Carbon Emission Calculator; and
 - Other reference documents are within our capacity as of the time of the Report’s issuance.

Environmental, Social and Governance Report

3. Since only an immaterial amount of fuel was consumed by corporate vehicles during the Reporting Period, the fuel consumption and the corresponding emission data were not collected by the Group.
4. The quantity of electricity used by third party handlers for fresh water and sewage processing is minimal and rounds to zero in our reported figures.
5. The scope of Scope 3 business travel emissions has been expanded this year to include, for the first time, emissions from other transportation modes and accommodation, in addition to air travel. Accordingly, the data for the Reporting Period could not be directly comparable with that of the previous year.

A1.3. Hazardous Waste

During the Reporting Period, the daily business operations of the Group did not generate any significant amounts of hazardous waste during the Reporting Period. The Group generated most of its hazardous waste from disposal of computer hardware and lighting materials. Computer hardware and electronic devices are resold in the market to extend their lifecycle. For lighting waste, while a portion is managed by the property management office, the Group also takes responsibility for certain items, ensuring they are sent to GREEN@COMMUNITY for recycling. However, the volume of hazardous waste generated is not currently provided by the property management office. To address this, the Group will coordinate with the property management office to collect the hazardous waste volume data in the coming year in order to formulate appropriate measures to reduce hazardous waste production.

A1.4. Non-hazardous Waste

The Group recognises that its business operations have generated non-hazardous waste, which mainly consisted of general office waste such as waste paper, plastic bags for rubbish bins, paper cups, paper towels, etc. During the Reporting Period, the Group recorded 0.24 (2024: 0.43) tonnes of waste paper generation. Since the amount of other non-hazardous waste generated was insignificant and handled by building property management office, the Group did not keep records of the disposal of such items during the Reporting Period.

A1.5. Emissions Mitigation Initiatives and Target

The Group's operations resulted in insignificant emissions. The main source of emission was electricity consumption from daily office operations and business air travel. Please refer to Section A2.3 for electricity-saving measures and Section A1.6 for paper-saving measures that shall mitigate emissions.

Environmental, Social and Governance Report

The Group had set the target of achieving a 10% reduction in GHG emissions intensity by 2032, using 2022 as the baseline year, the result as at the end of Reporting Period is as follow:

Environmental KPI	Target	2025 vs. 2024	2025 vs. 2022 (the baseline year)	Status
GHG emissions intensity	Reducing the intensity of GHG emissions by 10% by 2032	86% increase in emissions intensity based on average office space	149% increase in emissions intensity based on average office space	In progress
		38% decrease in emissions intensity based on average number of employees	65% decrease in emissions intensity based on average number of employees	

The increase in GHG emissions intensity per m² of total office area from the baseline year to the Reporting Period can be attributed to increased electricity consumption resulting from a substantial rise in our employee headcount, as well as the expanded scope of our Scope 3 data collection, while the total office area remained largely unchanged. Conversely, the significant reduction in GHG emissions intensity per employee demonstrates the effectiveness of our energy conservation and emission reduction measures, which successfully curbed emissions growth despite a substantial rise in employee headcount during the Reporting Period. This indicates that the Group's proactive sustainability efforts have effectively mitigated the environmental impact of workforce expansion, achieving a lower carbon footprint on a per-employee basis.

A1.6. Waste Reduction Initiatives and Target

The Group understands the importance of good waste management practices and strictly abides by waste disposal related rules and regulations.

The Group generated most of its hazardous waste from disposal of computer hardware and lighting materials. This waste was collected by professional third-party handlers for recycling, reuse, or further processing. For instance, during the Reporting Period, the lighting waste was transferred to GREEN@COMMUNITY for recycling. Additionally, unused televisions and MacBooks were resold in the market, effectively extending the lifecycle of these electronic products.

Environmental, Social and Governance Report

Non-hazardous waste from the Group is collected and handled by office building management and professional third-party. To encourage waste reduction among its employees, the Group has promoted waste reduction methods to its employees, put up signages on waste reduction, set up recycling bins for paper and plastic waste, and pushed measures to reduce kitchen and food waste.

Paper is used for daily office operations such as documents printing. Paper saving initiatives on recycling paper are encouraged among employees to reduce paper waste disposal at landfills, as well as adopting double-sided printing and printing with single-side used paper for non-formal and non-confidential documents. The Group also encourages using electronic document for document issuance and notification, and using E-fax to promote a paperless office environment.

The Group had set the target of achieving a 5% reduction in overall waste generation by 2032, using 2024 as the baseline year, the result as at the end of Reporting Period is as follow:

Environmental KPI	Target	2025 vs. 2024 (the baseline year)	Status
Waste generation	Reducing the overall waste generation by 10% by 2032	39% decrease in emissions intensity based on average office space 79% decrease in emissions intensity based on average number of employees	In progress

This reduction in waste generation was largely driven by our transition to digital document processing and the reuse of paper, which significantly decreased the volume of paper-based waste collected.

Environmental, Social and Governance Report

A2. Use of Resources

The Group has not established policies on the efficient use of resources. Nevertheless, the Group is committed to protecting the environment by enhancing operational efficiency to reduce energy and water consumption.

A2.1. Energy Consumption

A total of 74,556.36 (2024: 68,815.00) kWh of energy was consumed by the Group for its operations during the Reporting Period, which represents a 8% increase from the previous year. This is mainly due to increased electricity consumption resulting from a substantial rise in our employee headcount during the Reporting Period. Electricity remained the major source of energy for the Group, which was used for powering lighting, air-conditioning and other equipment necessary for daily operations of the Group.

Note that electricity consumption data is limited to the Hong Kong and one Shenzhen office and Guangzhou office. The Macau office and the addition Shenzhen office operate as virtual workspaces, while the Singapore and Shanghai offices utilise shared coworking facilities, precluding the availability of site-specific electricity consumption metrics for these locations.

The intensity was 57.98 (2024: 50.24) kWh of energy consumption per m² of total area, or 23.54 (2024: 60.79) kWh of energy consumption per employee.

Environmental, Social and Governance Report

See below the detailed breakdown of 2025 energy consumption, as well as comparisons with the previous year.

Type of Energy Consumption ¹	2025	2024
Fuel (kWh)	— ²	— ²
Purchased Electricity (kWh)	74,556.36	68,815.00
Total (kWh)	74,556.36	68,815.00
Overall Energy Consumption Intensity (kWh/m²)	57.98	50.24
Overall Energy Consumption Intensity (kWh/employee)	23.54	60.79

Notes:

1. During the Reporting Period, the instructions of the Reporting Guidance on Environmental KPIs issued by HKEX were referenced to calculate and report energy consumption.
2. Since only an immaterial amount of fuel was consumed by corporate vehicles during the Reporting Period, the fuel consumption data was not collected by the Group.

A2.2. Water Consumption

Due to the nature of business, water consumption of the Group during the Reporting Period is minimal. The majority of the water supply facilities are provided and managed by property managers on the Group's rented premises, and the usage has been included in the management fees. As such, water consumption data is not available for Hong Kong, Macau, Guangzhou, Shanghai and Singapore offices, and only water consumption for the Shenzhen office is disclosed.

The intensity was 0.06 (2024: 0.06) m³ of water consumption per m² of Shenzhen office area, or 0.90 (2024: 1.24) m³ of water consumption per Shenzhen office employee.

Environmental, Social and Governance Report

See below the detailed breakdown of 2025 water consumption, as well as comparisons with the previous year.

	2025 Amount (in m ³)	2024 Amount (in m ³)
Shenzhen Office Water Consumption	18.00	26.00
Water Use Intensity (m³/m² Shenzhen office area)	0.06	0.06
Water Use Intensity (m³/Shenzhen office employee)	0.90	1.24

A2.3. Energy Use Efficiency Initiatives and Target

To reduce electricity consumption, employees are reminded to turn off office lights, computers, printers, and air conditioners when leaving the offices or whenever they are not in use. In addition, the Group also plans on gradually replacing older electronic equipment with more efficient ones.

The Group had set the target of achieving a 10% reduction in energy consumption intensity by 2032, using 2022 as the baseline year, the result as at the end of Reporting Period is as follow:

Environmental KPI	Target	2025 vs. 2024	2025 vs. 2022 (the baseline year)	Status
Energy consumption intensity	Reducing the intensity of energy consumption by 10% by 2032	15% increase in energy use intensity based on average office space	41% increase in energy use intensity based on average office space	In progress
		61% decrease in energy use intensity based on average number of employees	80% decrease in energy use intensity based on average number of employees	

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The increase in energy consumption intensity per m² of total office area from the baseline year to the Reporting Period can be attributed to increased electricity consumption resulting from a substantial rise in our employee headcount during the Reporting Period, while the total office area remained largely unchanged. Conversely, the significant reduction in energy consumption intensity per employee, demonstrates the effectiveness of our energy conservation and emission reduction measures, which successfully curbed emissions growth despite a substantial rise in employee headcount during the Reporting Period. This indicates that the Group's proactive sustainability efforts have effectively mitigated the environmental impact of workforce expansion, achieving a lower energy consumption on a per-employee basis.

A2.4. Water Use Efficiency Initiatives

The Group abides by the rules and regulations in relation to water pollution control, and the Group has had no problem in sourcing water that is fit for purpose during the Reporting Period. While the Group has not set any targets for water consumption reduction due to its minimal impacts. The Group nonetheless promotes reasonable water use initiatives and water saving measures among its employees, such as reminding employees to turn the faucet off tightly and conducting regular inspection and maintenance of water facilities.

A2.5. Packaging Materials

Due to the nature of business, the Group's operations during the Reporting Period did not involve any regular use of packaging materials.

A3. The Environment and Natural Resources

The Group is committed to conducting its business responsibly, ensuring that its business does not contribute to significant adverse impact on the environment and society while bringing sustainable growth and profit.

A3.1. Significant Impacts of Activities on the Environment

While the Group's business has no direct or significant impact on the environment and natural resources, the Group is committed to reducing its consumption of resources and minimising its use of business travel. The measures taken by the Group to reduce its impact on the environment and natural resources can be referred to Section A1 Emissions and A2 Use of resources.

Environmental, Social and Governance Report

A4. Climate Change

A4.1. Governance

Climate-related risks and opportunities are managed as part of overall ESG risk management within our sustainability governance structure. The Board's oversight of and management's role in climate-related risks and opportunities can be referred to Section Sustainability Governance.

A4.2. Strategy

Due to the nature of business as an office-based company, climate change has not posed significant impact on the Group's business operation. As such, the Group has not formulated any policy regarding climate change. However, a groupwide assessment was undertaken during the Reporting Period, to identify and qualitatively assess the potential financial impacts of climate-related physical and transition risks and opportunities. The climate risks identified, their time horizon, trend, and the potential financial impacts affecting the Group are shown below.

	Climate Risks	Time Horizon	Trend	Potential Financial Impact
Physical Risks	Acute	Short term	Increase	Increased frequency of extreme weather may hinder employee commutes and threaten safety, potentially reducing productivity and profits. Additionally, flooding could damage office equipment, disrupt business operations and raise maintenance costs, depreciation, and overall operating expenses.
	Chronic	Long term	Increase	Longer-term shifts in climate patterns will increase operating costs and insurance premium.

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	Climate Risks	Time Horizon	Trend	Potential Financial Impact
Transition Risks	Technology	Long term	Increase	During the transitional period, the Group expects increased procurement expenditures to introduce new and alternative technologies, and the additional cost of adopting/deploying new practices and processes.
	Policy and Legal	Short to medium term	Increase	Implementation of tightened environmental laws, stringent requirements on climate disclosures and carbon pricing system increases operating costs.
	Market	Short term	Increase	During the transitional period, the Group might face a decrease in revenue due to higher environmental requirements of clients, if no strategy has been set accordingly.
	Reputation	Short to medium term	Increase	Stakeholders' concerns on climate-related issues of the Group might dampen the investment sentiment of investors, impacting the stock price and market capitalisation of the Group, and hence increasing the liquidity risk.

The Group recognizes that extreme weather events caused by climate change may negatively impact on daily operations and have accordingly prepared contingency plans for these situations. These include, but not limited to, work-from-home plans for employees and insurance against damages from extreme weather events. To address transition risks, the Group closely monitors climate change-related policies and assess their impact on the Group in a timely manner, which allows us to implement improvement measures promptly. Additionally, we are committed to enhancing the Group's capabilities for carbon emission statistics and improving the quality of climate information disclosure, as well as maintaining close communication with stakeholders to understand their expectations of the Group. However, the Group has yet to identify any opportunities arising from climate change.

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A4.3. Risk Management

In the context of global climate change, the climate-related risks and opportunities faced by the Group have become key factors affecting the long-term development. The Group deeply recognizes this and actively takes action to integrate climate change factors into the Group's overall risk assessment and management framework. Through its risk management and governance system, the Group ensures that it is able to identify and respond to climate-related risks in a timely manner and to continuously monitor and assess them, enabling it to flexibly adjust its strategy to seek new growth opportunities under the challenges posed by climate change, thereby laying a solid foundation for the Group's long-term sustainable development. For details of the risk management process, please refer to Section Sustainability Governance.

Our key climate risks are associated with potential compliance and reputation risks related to meeting enhanced climate-reporting requirements, as well as meeting our stakeholders' expectations. As we have multiple clients in various countries, we also face a potential risk of losing revenue from our flexible staffing business should our clients' business be adversely affected by more stringent sustainability requirements or extreme weather events.

A4.4. Metrics and Targets

During the Reporting Period, the Group discloses the GHG emissions data, which aligns with the reporting boundary outlined in the Report. For details, please refer to Section "Scope and Reporting Period".

Generally, we apply the operational control approach to define our organizational boundary for reporting purposes, unless otherwise stated. The Group measures its GHG emissions in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standards (2004). As at the reporting date, the Group does not yet have sufficient reasonable and supportable data to disclose all Scope 3 emissions without undue cost or effort. The Group expects to disclose Scope 3 emissions progressively as the data collection process matures.

The Group had set ESG related targets and disclosed GHG emissions data in Section "Emissions" in the Report. To ensure effective implementation, the Group has established an internal target review mechanism, under which the Board conducts an annual assessment of climate-related progress.

Environmental, Social and Governance Report

B. SOCIAL

1. Employment and Labour Practices

B1. Employment

The Group has complied strictly with the relevant laws and regulations to ensure employees' interests are protected. See below a list of employment laws and regulations of the respective regions the Group operates in.

Mainland China	Hong Kong	Macau	Singapore
- Labour Law* (《中華人民共和國勞動法》) - Labour Contract Law* (《中華人民共和國勞動合同法》) - Regulations on Paid Annual Leave for Employees* (《職工帶薪年休假條例》) - Law on the Protection of Women's Rights and Interests* (《中華人民共和國婦女權益保障法》) - Special Rules on the Labour Protection of Female Employees* (《女職工勞動保護特別規定》)	- Employment Ordinance (Cap. 57) - Inland Revenue Ordinance (Cap. 112) - Sex Discrimination Ordinance (Cap. 480) - Mandatory Provident Fund Schemes Ordinance (Cap. 485) - Personal Data (Privacy) Ordinance (Cap. 486) - Disability Discrimination Ordinance (Cap. 487) - Family Status Discrimination Ordinance (Cap. 527) - Race Discrimination Ordinance (Cap. 602) - Minimum Wage Ordinance (Cap. 608)	- Labour Relations Law* (《勞動關係法》) - Framework Law on Employment Policy and Worker's Rights* (《就業政策及勞工權利綱要法》) - Regulation on Prohibition of Illegal Work* (《禁止非法工作規章》) - Minimum wage for employees* (Law No. 5/2020) (《僱員的最低工資》) - The Social Security Regime* (《社會保障制度》) - Law for the Employment of Non-Resident Workers* (《聘用外地僱員法》)	- Employment Act - Employment of Foreign Manpower Act - Employment Agencies Act - Immigration Act

In addition, the Group has formulated an employee handbook to facilitate the building of talent teams and strive to create an equal, inclusive, healthy, and safe working environment. The employee handbook clearly lays out human resources policies, which include equal employment, attendance management, remuneration and benefits, recruitment and promotion, health and safety, performance assessment, code of conduct, etc., so as to keep employees aware of the Group's management basis and their own interests. The Group did not note any cases of material non-compliance in relation to employment during the Reporting Period.

Environmental, Social and Governance Report

B1.1. Employment Figures

As of 31 December 2025, the Group had a total of 3,167 (2024: 1,132) employees across its offices in Hong Kong, Macau, Shenzhen, Guangzhou, Shanghai and Singapore.

See below the detailed breakdown of the 2025 workforce, as well as comparisons with the previous year.

Total Workforce as of 31 December	2025		2024	
	Number	Percentage ¹	Number	Percentage ¹
By Gender				
Male	1,489	47.02%	382	33.75%
Female	1,678	52.98%	750	66.25%
By Employment Type				
Full-Time	431	13.61%	427	37.72%
Part-Time	2,736	86.39%	705	62.28%
By Employee Category				
Senior Management	16	0.51%	16	1.41%
Middle Management	46	1.45%	23	2.03%
Frontline and Other Employees	3,105	98.04%	1,093	96.56%
By Age Group				
18-25	1,023	32.30%	354	31.27%
26-35	632	19.96%	294	25.97%
36-45	656	20.71%	195	17.23%
46-55	539	17.02%	120	10.60%
56 or above	317	10.01%	169	14.93%
By Geographical Location				
Hong Kong	3,091	97.60%	1,062	93.82%
Macau	14	0.44%	14	1.24%
Mainland China	59	1.86%	52	4.59%
Singapore	3	0.10%	4	0.35%
Total	3,167	100.00%	1,132	100.00%

Note:

- Percentage for employees in the relevant categories = (Number of employees in the specified category/Number of total employees at the end of the Reporting Period) x 100%.

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B1.2. Turnover Figures

To enhance the accuracy of employee turnover reporting, the Group standardized its methodology by excluding staff with tenure less than or equal to 59 days from turnover statistics. A total of 564¹ (2024: 601¹) employees left the Group during the Reporting Period, which gave a turnover rate of about 25.83%¹ (2024: 62.51%¹).

See below the detailed breakdown of 2025 turnover rate by employee group, as well as comparisons with the previous year.

Turnovers as of 31 December	2025 ¹		2024 ¹	
	Number	Turnover Rate ²	Number	Turnover Rate ²
By Gender				
Male	217	22.90%	164	55.22%
Female	347	28.07%	437	65.76%
By Employment Type				
Full-Time	288	66.98%	161	50.31%
Part-Time	276	15.74%	440	68.59%
By Employee Category				
Senior Management	2	12.12%	–	–
Middle Management	3	8.70%	–	–
Frontline and Other Employees	559	26.21%	601	66.34%
By Age Group				
18-25	189	26.90%	293	90.02%
26-35	170	36.02%	171	66.80%
36-45	93	21.50%	70	43.34%
46-55	46	13.88%	41	38.68%
56 or above	66	26.94%	26	23.11%
By Geographical Location				
Hong Kong	523	24.78%	575	63.96%
Macau	4	28.57%	3	21.43%
Mainland China	35	63.06%	22	48.89%
Singapore	2	57.14%	1	28.57%
Overall	564	25.83%	601	62.51%

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Notes:

1. Figures exclude employees who worked with the Group for less than or equal to 59 days.
2. Turnover rate for employees in the relevant categories = (Number of employees leave in the specified category/Average number of total employees in the specified category at the beginning and the end of the Reporting Period) x 100%.

B1.3. Employee Recruitment, Compensation and Benefits

The Group complies strictly with all applicable laws and regulations in relation to recruitments, pursuant to which the Group is to select, recruit and promote its employees at all levels in a fair and open manner based on their knowledge, integrity, ability and experience in either public recruitment or internal promotion. When an employee presents their resignation, the human resources department will arrange an interview with them to understand their motives and identify issues in relation to management and employee turnover rates.

There were no major changes in policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity and anti-discrimination during the Reporting Period. In additions, during the Reporting Period, the Group was not aware of any violation cases relating to compensation, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the operations of the Group.

The Group abides by all applicable employment and labour related laws of Hong Kong, Macau, Mainland China, and Singapore. The Group's employees are remunerated in accordance with their performance, qualification, work experience and prevailing industry practice. In addition to a fixed salary, commission-based bonuses are offered to consultants whose sales figures exceed a certain level to attract and retain eligible employees to contribute to the Group. The seconded staff have been remunerated in accordance with their contracts with the Group and the relevant laws and regulations in Hong Kong or Macau.

Various types of leave, including annual leaves, sick leaves, maternity leaves, paternity leaves, jury services leave and childcare leave, are also provided. The Group safeguards employees' entitlement to statutory benefits. The Group participates in the mandatory provident fund ("MPF") for employees, including Internal Staff and Seconded Staff, in accordance with the MPF in Hong Kong, the Social Security Regime in Macau, the state-managed retirement benefit scheme managed by the PRC government, and the Central Provident Fund ("CPF") in Singapore, respectively, and have paid the relevant contributions accordingly. The Group has also maintained employees' compensation insurance for all our employees.

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B1.4. Employee Communication

The Group regards its employees as valuable assets. Employees are encouraged to provide their opinions directly to the directors and the chief executive officer of the Company by email. In addition, the Group arranges weekly catch-up meeting with the chief executive officer and team heads, as well as month-end meeting for all employees, in order to provide employees with the opportunity to share their feedback and opinions with the top management. To strengthen and upgrade employees' qualifications, the Group provides appropriate appraisals to employees in trainings and development activities. It also enhances employees' sense of satisfaction through presentation of awards.

To cultivate holistic employee wellness and foster a cohesive organizational culture, the Group has organised the following activities to enhance employees' sense of belonging:

- CNY lunch
- Lunch/Dinner meeting with employees
- Kick-off meetings and team building activities
- Mid-Autumn Festival celebration
- Monthly birthday celebration
- Christmas Party
- Orientation Day and Sharing
- Internal Sharing Session
- 10 years award to staff

These diverse programs are aimed at fostering a sense of workplace belonging, promoting stress relief through balanced recreational activities, and reaffirming our dedication to creating a supportive and inclusive work environment that seamlessly integrates professional development with personal well-being.

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B1.5. Equal Opportunity and Anti-Discrimination

The Group believes in nurturing and developing top talents regardless of race, gender, age, religious belief, pregnancy, marital status, family status or disability. The Group attaches particular importance to equal employment opportunities and complies strictly with anti-discrimination laws. In support of equal employment opportunities, the Group adopts a fair and open recruitment mechanism with all positions being openly recruited regardless of age, gender, race, nationality, religion, marital status, or disability.

B2. Employee Health and Safety

The Group ensures that safety is placed at the top priority in its operation, and is maintained as a critical component in its workplace culture. It constantly improves the safety performances of its different business areas, in order to provide a safe and healthy environment to employees. Furthermore, the Group offers medical insurance to its internal staff. Moreover, to safeguard employees' physical and mental well-being, the Group organizes occasional sports events, such as weekend basketball games, to encourage employee participation and enhance physical fitness.

During the Reporting Period, the Group has complied with occupational health related laws and regulations to avoid any health risks from being imposed onto its employees. See below a list of occupational health related laws and regulations of the respective regions the Group operates in.

Mainland China	Hong Kong	Macau	Singapore
- Labour Law* (《中華人民共和國勞動法》) - Labour Contract Law* (《中華人民共和國勞動合同法》) - Law on The Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》)	- Employees' Compensation Ordinance (Cap. 282) - Occupational Safety and Health Ordinance (Cap. 509)	- Legal Regime on Compensation for Damage Arising from Work Accidents and Occupational Diseases* (《工作意外及職業病損害之彌補制度》) - Convention concerning Occupational Safety and Health and the Working Environment* (《職業安全衛生及工作環境公約》)	- Workplace Safety and Health Act - Work Injury Compensation Act

There were no major changes in management practice in relation to occupational health and safety during the Reporting Period.

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B2.1. Work-related fatalities and injury

Occupational Health and Safety Data	2025	2024	2023
Work related fatality	–	–	–
Fatality rate	–	–	–
Work injury cases >3 days	3	4	–
Work injury cases ≤3 days	2	1	5
Lost days due to work injury	20	238	2

Employees involved in work-related injuries would inform their Department Heads or Human Resources Department within 24 hours after the accident and seek medical consultation in nearby hospitals or clinics. Within 48 hours after the injured employees obtained the sick leave certificates, the Human Resources Department shall complete and submit the work injury report to the insurance company for related compensation. During the Reporting Period, work-related injuries primarily resulted from on-site accidents. To safeguard the health and safety of our employees, the Group would enhance safety awareness initiatives and strengthen training programmes.

During the Reporting Period, the Group did not receive any complaints or lawsuits regarding violations of health and safety-related laws, and there was no work-related death in the past three years, including the Reporting Period.

B3. Development and Training

The Group values its employees as human capital and invests resources to educate and maintain their standards so that they can make a greater contribution to its success. The Chief Executive Officer, Head of People and Culture, and Group Head of Human Resource oversee the provision of training and development opportunities for employees.

Orientation programmes are provided for new internal staff to familiarise them with the Group's daily operation and information technology systems.

During the Reporting Period, the Group organised in-house training workshops as well as appropriate on-the-job training to the staff to improve their performance effectiveness. The on-the-job training focused on improving employees' knowledge and skills related to their job, covering topics such as back-office operations, recruitment processes, and relationship management. Additionally, other training initiatives included ethics at work and emergency response safety seminars.

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During the Reporting Period, 155 (2024: 129) employees, or 4.89% (2024: 11.40%) of all employees, received training arranged by the Group, and the average training hours that each employee received (inclusive of those who did not receive training) was 0.23 (2024: 0.64) hours. The percentage and average training hours per gender and employee category during the Reporting Period are as follows:

Training Figures as of 31 December 2025				
	2025		2024	
	Average Training Hours¹	Percentage²	Average Training Hours¹	Percentage²
	(Hours)		(Hours)	
By Gender				
Male	0.17	3.76%	0.87	14.40%
Female	0.29	5.90%	0.52	9.87%
By Employee Category				
Senior Management	2.94	68.75%	1.41	43.75%
Middle Management	3.24	58.70%	2.83	65.22%
Frontline and Other Employees	0.17	3.77%	0.58	9.79%
Overall	0.23	4.89%	0.64	11.40%

Notes:

1. Average training hours for employees in relevant categories = Total number of training hours for employees in the specified category/Number of employees in the specified category.
2. Percentage of employees trained in the relevant categories = Number of employees in the specified category who took part in training/Number of employees in the specified category at the end of the Reporting Period.

B4. Labour Standards

The recruitment of the Group complies strictly with the local laws and conduct. Personal data collected during the process will be used to assist in the selection of suitable candidates and to conduct interviews and verification of personal data. The Group ensures that identity documents and relevant certificates are carefully checked before interview and employment. Applicants are required to sign a declaration for provision of true and correct information. Employees can be dismissed for any frauds.

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The Group has strictly abided by all labour standard laws and regulations to protect children and prevent child labouring. See below a list of labour standard related laws and regulations of the respective regions the Group operates in.

Mainland China	Hong Kong	Macau	Singapore
Law on Protection of Minors* (《中華人民共和國未成年人保護法》)	Employment of Children Regulations (Cap. 57B)	Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour* (《禁止和立即行動消除最惡劣形式的童工勞動公約》)	Employment Act

There was no child nor forced labour in the Group's operation during the Reporting Period. In addition, the Group conducts regular checking to ensure that there is no child labour or forced labour in its operations. If any case of non-compliance is discovered, the Group will immediately terminate employment and further investigate to avoid recurrence.

2. Operating Practices

B5. Supply Chain Management

Due to the nature of business, the Group did not engage with any long-term key suppliers during the Reporting Period. Furthermore, the Group had not engaged any subcontractors to provide human resources services to any of its clients. The Group procures equipment and IT system support and maintenance services from vendors for its business operation, however there are no specific procedures implemented to minimise environmental or social risks, nor any internal policies on selecting suppliers with better environmental and social performance.

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B6. Product Responsibility

In terms of regulating product promotion and responsible sales, the Group strictly abides by the relevant laws and regulations. See below a list of relevant laws and regulations of the respective regions the Group operates in.

Mainland China	Hong Kong	Macau	Singapore
• Criminal Law (《中華人民共和國刑法》) • Advertising Law* (《中華人民共和國廣告法》) • Cyber Security Law* (《中華人民共和國網絡安全法》) • Provisions on Protecting the Personal Information of Telecommunications and Internet Users* (《電信和互聯網用戶個人信息保護規定》) • Personal Information Protection Law* (《中華人民共和國個人信息保護法》)	• Personal Data (Privacy) Ordinance (Cap. 486) • Trade Marks Ordinance (Cap. 559) • Patents Ordinance (Cap. 514) • Copyright Ordinance (Cap. 528)	• Trade Secrets Act* (《商業秘密法》) • Legal Regime of Industrial Property* (《工業產權法律制度》) • Trademark Act* (《商標法》) • Patent Act* (《專利法》) • Republication of the Regime of Copyright and Related Rights* (《著作權及相關權利制度再版》) • Personal Data Protection Act* (《個人資料保護法》)	• Personal Data Protection Act • Consumer Protection (Trade Descriptions and Safety Requirements) Act • Trade Marks Act • Patents Act

In terms of health and safety, advertising, labelling and privacy matters and remedies of the products and services provided, there was no material non-compliance with relevant laws and regulations that would have a significant impact on the Group during the Reporting Period. In addition, the percentage of total products sold or shipped subject to recalls for safety and health reasons is not applicable to the Group as our services are intangible and not subject to any recall procedures.

B6.1. Intellectual Property Rights

Any assets of the Group, including materials and information for official purposes, shall not be taken or copied for personal purposes without authorisation. Such violation is an offence under the laws of Hong Kong, Macau, Mainland China and Singapore, and offenders will be subject to disciplinary action or prosecution. The Group does not allow any infringement of its assets and intellectual property rights, and will take appropriate disciplinary actions against offenders.

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As of 31 December 2025, the Group holds 22 (2024: 21) officially registered trademarks. During the Reporting Period, the Group was not aware of any dispute or infringement by (i) the Group of any intellectual property rights owned by third parties; or (ii) any third parties of any intellectual property rights owned or being applied by the Group.

B6.2. Quality Assurance

As a human resources services provider, the key service responsibilities of the Group are providing high quality human resources services and privacy matters of our clients and candidates. Emphasis is therefore placed on recruiting and retaining skillful, knowledgeable, and experienced consultants, monitoring service quality and staff training.

During the recruitment process of our consultants, the Group looks for personnel who have good communication skills as it is important to effectively connect with its clients and candidates and to maintain long-term business relationships. When the Group is recruiting Seconded Staff, it will look into the skills and/or professional qualifications required for the positions which clients are looking for.

The Group provides after-sales services for both recruitment services, secondment services and payroll services. The Group generally provides replacement for the placed candidates under certain circumstances for recruitment services and may terminate the relevant seconded staff if their performance is below the required standard. The Group will also meet with clients and candidates on a regular basis to build up good relationships and to collect feedback on services provided. The Group believes that this will allow it to maintain the high quality of services provided and gain market intelligence to keep its staff abreast to the latest developments in the human resources services industry.

During the Reporting Period, there were no material complaints made against us and our internal and Seconded Staff by our clients. The Group has complied with relevant laws and regulations in relation to product and service liabilities.

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B6.3. Confidential Information, Data Protection, and Privacy

As a human resources services provider, the Group has in its possession a substantial amount of personal data related to individual candidates. The Group's software system also stores information relating to performance assessment of such candidates by the Group and its clients. Pursuant to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Personal Data Protection of Macau, the Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》) and the Personal Data Protection Act of Singapore, the Group is obliged to keep all such data confidential. Therefore, the Group has implemented internal control measures to safeguard the security and confidentiality of our candidate database as follows:

- (a) Access to documents: Access to the information and candidate database is restricted on a stringent need-to-know basis by maintaining policies specifying the level and extent of documentation required in our key business activities and for general use. Approval from the Group's management team shall be obtained before any external requests to review the documents and any release of the documents are executed. There are also security measures in place to monitor the use of information internally by staff, including:
 - i. implementing security policy to limit certain staff from accessing company information away from office and/or out of working hours;
 - ii. keeping detailed records of staff's online activities and behaviours (including the time and date of each login, browser used for each session, number of page hits, actions the staff performed, candidates and/or clients the staff viewed, notes taken, messages sent and received) which enables the Group to closely and continuously monitor our staff's activities and behaviours to see if there are any abnormal activities such as excessive client and/or candidate view, access of candidate and/or client that falls outside of the staff's area of focus or scope of work; and
 - iii. configuring the IT and email systems so that mass data export is only available to system administrators.

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- (b) Storage of electronic data: The majority of personal data collected are uploaded and stored in a server operated by a contracted software service provider. They have implemented backup policies to safeguard the information in any unexpected situation.
- (c) System security: Directors of the Group consider that there are robust security measures in place to ensure security in every process of operation to prevent security system breaches. These measures include adopting the latest technologies to store and control data collected centrally in the cloud to prevent data from being stored locally on staff workstations or local file server which may lead to information leakage, requiring confidential data accessed by authorised staff through designated user's accounts and passwords, disabling the alteration and/or reviewing of data by general staff, and encrypting backup data. Hackers are prevented from attacking the candidate database by, among others, utilising certified recruitment software with functions of user authentication, data back up and segregation, operating system and database security to enhance protection against cyber-attacks, implementing firewall protecting the internal network from intrusion, installing anti-virus software on servers and workstations as well as applying security patches and updates of operating systems. During the Reporting Period, the Group did not experience any incidents relating to hackers attacking its candidate database.
- (d) Compliance with the relevant laws and regulations: Employees are required to adhere to the obligations and responsibilities set out in all relevant laws and regulations of the corresponding region/country in relation to data privacy protection.

The Group complies with all applicable laws regarding confidential information and data protection. During the Reporting Period, the Group received no complaints or litigations relating to data protection and privacy protection, and there were no incidents or complaints concerning breaches of customer privacy or losses of customer data for the Group.

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B7. Anti-corruption

Conflict of interest exists when personal interest is in contrary or in contradiction with the Group's interest. It includes the use of a person's official position to benefit himself, his family, relatives or friends or any person to whom he owes a favour or is obliged in any way. The Group is committed to ensuring its business is not involved in any conflict of interest. Its code of conduct requires staff to avoid unapproved conflict of interest situations. Approval shall be obtained from the Board.

Any bribery and corruption activities are also prohibited pursuant to the Prevention of Bribery Ordinance of the Laws of Hong Kong, and as stated in the Group's code of conduct. The whistleblowing policy is established to provide clear guidelines on reporting misconduct and malpractice, with channels for all shareholders, customers, suppliers and Internal Staff to raise concerns under the policy. When a suspicious case is received, the Group undergoes investigation procedures with secured protection on complainant's confidentiality. If a complainant's identity is exposed, whoever retaliates against the complainant will be subject to disciplinary actions. All concerns will be handled impartially and effectively, and will be reported to relevant enforcement authorities when necessary.

To enhance anti-corruption awareness, an annual anti-corruption training was provided to staff during the Reporting Period, which covered topics such as whistle-blowing, business ethics, avoiding conflict-of-interest, and anti-bribery.

During the Reporting Period, the Group did not have any lawsuits related to corruption, nor violated relevant laws and regulations that have a significant impact on the operations of the Group. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period.

B8. Community Investment

The awareness of corporate social responsibility has been increasing in the market. The Group realises the importance of different stakeholders' expectations. In achieving long term, stable and healthy business prosperity and growth, the Group strives to balance the interests between stakeholders and is committed to improving the community's wellbeing.

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In addition, the Group attaches great importance to social public welfare activities, and has contributed to activities and organisations that are beneficial to the community. During the Reporting Period, the Group has participated in and sponsored various communal activities. See below the lists of the Group's financial contribution and public benefit activities respectively during the Reporting Period:

Period	Beneficiary	Amount (HK\$)
January 2025	City University of Hong Kong	20,000
February 2025	Children's Cancer Foundation	5,000
June 2025	The Hang Seng University of Hong Kong – Foundation	20,000
August 2025	InspiringHK Sports Foundation Limited	140,000
November 2025	The Community Chest	5,000
November 2025	InspiringHK Sports Foundation Limited	15,360
December 2025	Supporting Fund for Wang Fuk Court in Tai Po	100,000
Total		305,360

The number of employees participating in public welfare activities	Volunteering hours contributed (hour)
37	137

The Group has stepped up its efforts in nurturing talent and fostering regional development during the Reporting Period. The following highlighted initiatives reflect our strategic focus on building a sustainable talent ecosystem and contributing to the long-term prosperity of the communities we serve.

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- *Scholarships for City University of Hong Kong*

As part of the Group's commitment to education and youth development, we continued the KOS Scholarships for City University of Hong Kong – College of Business during the Reporting Period, awarding two outstanding students in recognition of their academic excellence and community service. The scholarship presentation was facilitated by Co-Founders Mr. Eddie Chan and Mr. Jackson Chan, joined by Head of People and Culture Ms. Winnie Tam and Senior Manager of Accounting and Finance Mr. Alec Yeung, who shared career insights with the awardees. Beyond financial support, the programme offers potential internship opportunities, reinforcing our commitment to empowering future talent and contributing to Hong Kong's skilled workforce.

- *Partnership with Sun Yat-sen University*

In line with our commitment to regional development, the Group established a strategic collaboration with the Institute of Guangdong, Hong Kong and Macao Development Studies at Sun Yat-sen University during the Reporting Period. The partnership focuses on the "GBA Talent Mobility & Demand Research" project, combining the Institute's academic expertise with KOS International's 16 years of HR industry experience. The collaboration will produce white papers, seminars, and case studies to inform talent strategies for governments, enterprises, and academic institutions, supporting the Greater Bay Area's development as a hub for innovation and opportunity.

- *Contribution to Qianhai-Nanshan-Bao'an International Talent Job Fair*

Demonstrating our commitment to international talent mobility, the Group contributed to the Qianhai-Nanshan-Bao'an International Talent Job Fair during the Reporting Period. Representatives from the Group delivered a presentation on "Development and Trends in the Hong Kong SAR Talent Market," sharing insights on key sectors driving demand, the need for cross-border expertise, and the importance of upskilling. This engagement reinforced the Group's role as a thought leader in bridging international talent with local opportunities in the Greater Bay Area.

The Group will continue to fulfil its corporate responsibilities and serve the community to the best of its abilities. The Group will also strive to achieve better allocation of resources in the perspective of providing assistance to the community in need and pursuing environmental protection, as well as contributing to the sustainable development of society.

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APPENDIX: ESG REPORTING CODE CONTENT INDEX OF HKEX

Content of Indicator		Relevant Sections
A. Environmental Aspect		
A1: Emissions		
General Disclosure	Information on:	Emissions
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	<i>Note:</i> Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations.	
	Hazardous wastes are those defined by national regulations.	
A1.1	The types of emissions and respective emissions data.	Emissions – Air Emissions
A1.2	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – GHG Emissions
A1.3	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). Total hazardous waste produced and intensity.	Emissions – Hazardous Waste
A1.4	Description of emissions target(s) set and steps taken to achieve them. Total non-hazardous waste produced and intensity.	Emissions – Non-hazardous Waste
A1.5	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. Description of emission target(s) set and steps taken to achieve them.	Emissions – Emissions Mitigation Initiatives and Targets

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Content of Indicator		Relevant Sections
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Consumption
A2.2	Water consumption in total and intensity. (e.g. per unit of production volume, per facility).	Use of Resources – Water Consumption
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Use Efficiency Initiatives and Targets
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Use Efficiency Initiatives
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. Total packaging material used for finished products and per unit produced.	Use of Resources – Packaging Material
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources. Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Significant Impacts of Activities on the Environment

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Content of Indicator		Relevant Sections
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Significant Climate Related Issues
B. Social Aspect		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment – Employment Figures
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Turnover Figures

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Content of Indicator		Relevant Sections
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Health and Safety – Work-related fatalities and injury
B2.2	Lost days due to work injury.	Employee Health and Safety – Work-related fatalities and injury
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note:</i> Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

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Content of Indicator		Relevant Sections
B4: Labour Standards		
General Disclosure	Information on:	Labour Standards
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to preventing child and forced labor.	
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labour Standards
B4.2	Description of steps taken to eliminate non-compliance when discovered.	Labour Standards
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Environmental, Social and Governance Report

Content of Indicator		Relevant Sections
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility – Confidential Information, Data Protection, and Privacy
B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Confidential Information, Data Protection, and Privacy
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Confidential Information, Data Protection, and Privacy

* The English name is for identification purpose only.

Environmental, Social and Governance Report

Content of Indicator		Relevant Sections
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

* The English name is for identification purpose only.

Independent Auditor's Report



TO THE SHAREHOLDERS OF KOS INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of KOS International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 94 to 155, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Independent Auditor's Report

KEY AUDIT MATTERS – *continued*

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of accounts receivables</i>	
We identified the impairment assessment of accounts receivables as a key audit matter due to the significance of accounts receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's accounts receivables at the end of the reporting period. As disclosed in note 17 to the consolidated financial statements, as at 31 December 2025, the Group's net accounts receivables amounting to approximately HK\$36,320,000 (2024: approximately HK\$38,832,000) and out of these accounts receivables of approximately HK\$8,032,000 (2024: approximately HK\$9,559,000) and approximately HK\$720,000 (2024: approximately HK\$792,000) were past due and past due over 90 days, respectively. As disclosed in note 4 and note 17 to the consolidated financial statements, the Group assessed credit risk of its customers with reference to external credit rating, the Group's observed default rates and supportable forward-looking information that is available to the directors of the Company without undue cost or effort, and are updated if considered to be required.	Our procedures in relation to the impairment assessment of accounts receivables included: • Obtaining an understanding on the key controls over credit risk assessment and how management estimates the loss allowance for accounts receivables; • Assessing the appropriateness of the loss allowance calculation methodology used by the management; • Testing the integrity of information used by management in assessing the credit risk of customers, on a sample basis, by checking the external credit rating of the customers to independence source if available, and comparing historical default rates to the actual losses recorded during the current financial year; and • Challenging management's basis and judgement in concluding accounts receivables which were past due over 90 days or more, and were not considered as in default, on a sample basis, with reference to the external credit rating, historical default rates and forward-looking information.

Independent Auditor's Report

OTHER INFORMATION

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lau, Ming Tak Simeon (practising certificate number: P07579).

D & PARTNERS CPA LIMITED

Certificated Public Accountants

2201, 22/F., West Exchange Tower

322 Des Voeux Road Central

Sheung Wan, Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	257,200	213,297
Other income	6	1,488	1,613
Other (losses) gains	7	(17)	512
Staff costs		(227,987)	(187,687)
Other expenses and losses		(26,739)	(29,970)
Reversal of (recognition of) losses under expected credit loss ("ECL") model		658	(206)
Finance costs	8	(795)	(458)
Profit (loss) before taxation	9	3,808	(2,899)
Income tax (expense) credit	10	(1,253)	352
Profit (loss) for the year		2,555	(2,547)
Other comprehensive expense			
Item that will not be reclassified to profit or loss:			
Fair value loss on:			
Investment in financial instruments at fair value through other comprehensive income ("FVTOCI")		(396)	(196)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		309	(323)
Total comprehensive income (expense) for the year		2,468	(3,066)
Profit (loss) per share – basic and diluted (Hong Kong cent)	13	0.32	(0.32)

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	14	1,000	1,559
Right-of-use assets	15	7,027	10,151
Other intangible asset	16	928	980
Rental deposits	17	1,467	1,284
Equity instrument at FVTOCI	18	778	1,174
		11,200	15,148
Current assets			
Accounts and other receivables	17	38,064	40,547
Tax recoverable		–	496
Financial assets at fair value through profit or loss (“FVTPL”)	19	458	419
Pledged bank deposits	20	2,000	2,400
Bank balances and cash	20	41,405	24,692
		81,927	68,554
Current liabilities			
Other payables and accruals	21	18,218	14,446
Contract liability	21	332	193
Lease liabilities	22	4,384	4,197
Tax payable		1,067	–
Bank borrowing	23	5,000	–
		29,001	18,836
Net current assets		52,926	49,718
Non-current liabilities			
Lease liabilities	22	2,857	6,035
Deferred tax liability	24	82	149
Provision for reinstatement costs	25	556	519
		3,495	6,703
Net assets		60,631	58,163
Capital and reserves			
Share capital	26	8,000	8,000
Reserves		52,631	50,163
Total equity		60,631	58,163

The consolidated financial statements on pages 94 to 155 were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Chan Ka On Eddie
DIRECTOR

Chan Ka Shing Jackson
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Statutory reserve HK\$'000 (Note i)	Investment revaluation reserve HK\$'000	Legal reserve HK\$'000 (Note ii)	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2024	8,000	39,738	49	14	(186)	15	(502)	14,101	61,229
Loss for the year	-	-	-	-	-	-	-	(2,547)	(2,547)
Fair value loss on investment in financial instruments at FVTOCI	-	-	-	-	(196)	-	-	-	(196)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(323)	-	(323)
Total comprehensive expense for the year	-	-	-	-	(196)	-	(323)	(2,547)	(3,066)
At 31 December 2024	8,000	39,738	49	14	(382)	15	(825)	11,554	58,163
Profit for the year	-	-	-	-	-	-	-	2,555	2,555
Fair value loss on investment in financial instruments at FVTOCI	-	-	-	-	(396)	-	-	-	(396)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	309	-	309
Total comprehensive income for the year	-	-	-	-	(396)	-	309	2,555	2,468
At 31 December 2025	8,000	39,738	49	14	(778)	15	(516)	14,109	60,631

Notes:

- i. The statutory reserve represents the amount transferred from profit after taxation of the subsidiaries established in the Mainland of People's Republic of China (the "PRC") in accordance with the relevant PRC laws until the PRC statutory reserve reaches 50% of the registered capital of the respective subsidiaries. The statutory reserve can be applied either in setting off the accumulated losses or increasing capital.
- ii. A subsidiary of the Group, incorporated in Macau and limited by shares, is required under the Macau Commercial Code No. 377 to set aside a minimum of 25% of this subsidiary's profit after taxation to the legal reserve until the balance of the reserve reaches a level equivalent to 50% of the subsidiary's capital. At 31 December 2025, the legal reserve reached to 50% of its capital and no additional legal reserve is required. This reserve is not distributable.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Operating activities		
Profit (loss) before taxation	3,808	(2,899)
Adjustments for:		
Depreciation of property, plant and equipment	925	2,259
Depreciation of right-of-use assets	4,676	4,822
Loss on disposal of property, plant and equipment	4	7
Impairment loss on other intangible asset	52	–
Reversal of provision of reinstatement costs	–	(401)
Gain on disposal of financial assets at FVTPL	–	(135)
Change in fair value of financial assets at FVTPL	(39)	17
Interest income	(210)	(441)
Finance costs	795	458
(Reversal of) recognition of impairment losses under ECL model	(658)	206
Operating cash flows before movements in working capital	9,353	3,893
Decrease (increase) in accounts and other receivables	3,259	(12,005)
Increase in other payables and accruals	3,719	515
Increase in contract liability	139	49
Cash generated from (used in) operations	16,470	(7,548)
Hong Kong Profits Tax refunded	243	1,263
Taxation in other jurisdictions refunded	–	–
Net cash generated from (used in) operating activities	16,713	(6,285)
Investing activities		
Proceeds on disposal of financial assets at FVTPL	–	300
Purchase of property, plant and equipment	(355)	(294)
Proceeds on disposal of property, plant and equipment	1	108
Interest received	130	374
Net cash (used in) generated from investing activities	(224)	488
Financing activities		
Repayment of lease liabilities	(4,542)	(4,152)
Bank borrowing raised	8,000	7,000
Repayment of bank borrowing	(3,000)	(7,000)
Withdrawal of pledged bank deposits	2,400	1,200
Placement of pledged bank deposit	(2,000)	(600)
Interest paid	(765)	(433)
Net cash generated from (used in) financing activities	93	(3,985)
Net increase (decrease) in cash and cash equivalents	16,582	(9,782)
Cash and cash equivalents at beginning of the year	24,692	34,668
Effect of foreign exchange rate changes	131	(194)
Cash and cash equivalents at end of the year, represented by bank balances and cash	41,405	24,692

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL

KOS International Holdings Limited (the “Company”) was incorporated in the Cayman Islands with limited liability under the Companies Act of the Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 October 2018. The addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company’s immediate and ultimate holding company is KJE Limited, a company incorporated in the British Virgin Islands. The ultimate controlling parties of the Company are Mr. Chan Ka Kin Kevin (“Mr. Kevin Chan”), Mr. Chan Ka On Eddie (“Mr. Eddie Chan”), Mr. Chan Ka Shing Jackson (“Mr. Jackson Chan”) and Mr. Chow Ka Wai Raymond (“Mr. Raymond Chow”).

The Company is an investment holding company and its subsidiaries are principally engaged in providing recruitment services and secondment and payroll services in Hong Kong, Macau, the Mainland of the People’s Republic of China (the “PRC”) and Singapore. The Company and its subsidiaries are hereinafter collectively referred to as the “Group”.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

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

Amendments to HKAS 21

Lack of Exchangeability

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS – *continued*

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

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

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards as issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) and by the Hong Kong Companies Ordinance.

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

Revenue from contract with customers

Information about the Group’s accounting policies relating to contracts with customers is provided in notes 5 and 21.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

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

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Leases – continued

The Group as a lessee – continued

Right-of-use assets

The cost of right-of-use assets includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Leases – continued

The Group as a lessee – continued

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Leases – continued

The Group as a lessee – continued

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “Other income”.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Retirement benefit costs and termination benefits

Payments to the Mandatory Provident Fund Scheme (the “MPF Scheme”) in Hong Kong, the Social Security Fund Contribution in Macau, the state-managed retirement benefit scheme managed by the PRC government and Central Provident Fund Scheme in Singapore are recognised as an expense when employees have rendered service entitling them to the contributions. A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term and other long-term employee benefits

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

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities’ carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS Accounting Standards requires or permits their inclusion in the cost of an asset.

Borrowing costs

All borrowing costs which are not eligible for capitalisation to qualifying assets are recognised in profit or loss in the period in which they are incurred.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit (loss) before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Taxation – continued

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Taxation – continued

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

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Impairment on property, plant and equipment, right-of-use assets and other intangible asset

At the end of the reporting period, the Group reviews the carrying amounts of property, plant and equipment, right-of-use assets and other intangible asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Impairment on property, plant and equipment, right-of-use assets and other intangible asset – continued

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Property, plant and equipment

Property, plant and equipment held for use in the production of services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

Other intangible asset

Other intangible asset is measured on initial recognition at cost and its useful life is assessed to be indefinite.

Other intangible asset is tested for impairment annually and not amortised. Its useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Provisions

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

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

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Financial instruments

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Financial instruments – continued

Financial assets

Classification and measurement of financial assets

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Financial instruments – continued

Financial assets – continued

Classification and measurement of financial assets – continued

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

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

(ii) Equity instruments designated as at FVTOCI

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Financial instruments – continued

Financial assets – continued

Classification and measurement of financial assets – continued

(iii) Financial assets at FVTPL

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

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

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) on financial assets which are subject to impairment assessment under HKFRS 9 “Financial Instruments” (including accounts and other receivables, rental deposits, pledged bank deposits and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for accounts receivables. The ECL on these assets are assessed for all debtors.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Financial instruments – continued

Financial assets – continued

Impairment of financial assets – continued

Significant increase in credit risk

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Financial instruments – continued

Financial assets – continued

Impairment of financial assets – continued

Significant increase in credit risk – continued

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

Definition of default

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

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

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivables where the corresponding adjustment is recognised through a loss allowance account.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Financial instruments – continued

Financial assets – continued

Impairment of financial assets – continued

Credit-impaired financial assets

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

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

Write-off policy

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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

Financial instruments – continued

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities, including other payables and bank borrowing, are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operation are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years.

Provision of ECL for accounts receivables

The Group uses simplified approach to calculate ECL for the accounts receivables. The provision rates are based on external credit ratings considering the debtor's historical default rate, adjusted after considering forward-looking information that is reasonable and supportable available without undue costs or effort that are specific to each debtor. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts receivables are disclosed in note 17.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY – *continued*

Fair value measurement of financial instruments

As at 31 December 2025, certain of the Group's financial assets, unquoted equity instrument, amounting to approximately HK\$778,000 (2024: approximately HK\$1,174,000) is measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers the valuation is the best estimates has resulted in greater market volatility and may affect the investees' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current and prior year. Changes in assumptions relating to these factors could result in material adjustments to the fair value of the instruments. See note 18 for further disclosures.

5. REVENUE AND SEGMENT INFORMATION

Recruitment services

The Group's recruitment services are to assist its customers in placing appropriate candidates for requested positions. Generally, the Group charges one-off service fees calculated based on an agreed percentage of the successfully placed candidate's monthly basic salary or annual remuneration package in the first year of his/her employment (the "Agreed Percentage"). For certain customers, the Group charges the service fees based on the fee calculated by the Agreed Percentage or an agreed minimum fee, whichever is higher. For certain placement of frontline staff, the Group generally charges a one-off fixed fee per successful placement. The performance obligations of recruitment services are to find appropriate candidates for the requested position. Pursuant to the terms of the recruitment services contracts, the Group is obliged to find the appropriate candidates for the requested position. In case the candidate resigns or the customer terminates employment in one to three months from the date of reporting duty by the candidate, the Group is obliged to find a one-off replacement within one to three months from the date when the Group is notified of such termination (the "Replacement Period"). In rare circumstances where the Group is unable to find replacement within the Replacement Period, the recruitment service fee will be refunded or credited to customer for future recruitment services. For the years ended 31 December 2025 and 2024, such reduction of recruitment service fees and refund to customers accounted for an immaterial portion of the recruitment services revenue. Payments are generally settled by customers within the credit periods of not more than 60 days offered by the Group after the successfully placed candidate's date of reporting duty.

For recruitment services for which the control of services is transferred at a point in time, revenue is recognised when the customer obtains the control of the completed services and the Group has present right to payment and the collection of the consideration is probable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION – continued

Secondment and payroll services

The Group's secondment and payroll services are to second the suitable staff of the Group to its customers (the "Seconded Staff"). The performance obligations of secondment and payroll services are to second suitable Seconded Staff to its customers.

The Group satisfies the performance obligation by finding suitable Seconded Staff to work at the customer's workplace. Revenue is recognised over time where the customer received and consumed the benefits of the secondment and payroll services simultaneously, i.e. find a Seconded Staff, as the management of the Group considered the Group has fulfilled its performance obligations throughout a period of time and revenue is therefore recorded evenly throughout the service period. The Group generally charges the service fee either on a fixed amount per staff on a monthly bases or on a cost plus basis. The Group elected to apply the practical expedient by recognising the secondment and payroll services revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to unsatisfied contract is not disclosed. Payments are generally settled by clients within the credit periods of not more than 60 days from the date of invoices which are issued once or twice a month to respective clients.

For secondment and payroll services for which the control of the service is transferred when the Group had assigned the seconded staff to the customer over the secondment period, revenue is recognised when the customer simultaneously received secondment and payroll services and consumed the benefits provided by the Group's performance. The management of the Group considered the Group as a principal given (i) the Group is primarily responsible for fulfilling the required human resources services for its customers, that is, it has the discretion in selecting and assigning a particular staff to be seconded to its customer's workplace pursuant to the customer's requirements, directing the staff to satisfy the specific performance obligation under the secondment arrangement, and also the discretion in selecting replacement if necessary; (ii) the Group has inventory risk as the seconded staff remains employee of the Group before and after the relevant secondment; and (iii) it has the discretion in establishing the price for the relevant services; and as such the management of the Group recognises revenue in gross amount of consideration to which it expects to be entitled in exchange for the secondment and payroll services transferred.

A receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION – continued

Disaggregation of revenue

	2025 HK\$'000	2024 HK\$'000
Recruitment services		
– Hong Kong	56,970	51,584
– Mainland China	20,317	20,134
– Singapore	2,788	4,957
	80,075	76,675
Secondment and payroll services		
– Hong Kong	173,104	133,623
– Macau	3,406	2,999
– Mainland China	615	–
	177,125	136,622
Total	257,200	213,297

Segment information

The Group's operating segment is determined based on information reported to the chief operating decision maker of the Group (the executive directors of the Company) for the purpose of resource allocation and performance assessment. For management purpose, the Group operates in one business unit based on their services, and only has one operating segment, human resource services operation. The chief operating decision maker reviews the revenue and results of the Group as a whole without further discrete financial information.

Accordingly, no analysis of this single operating and reportable segment is presented.

The majority of Group's revenue is generated from Hong Kong, and majority of non-current assets are located in Hong Kong.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION – continued

Information about major customer

Revenue from customer contributing over 10% of the total revenue of the Group during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	26,088	N/A
Customer B	N/A	39,792

6. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Dividend income from investments in listed securities	–	53
Interest income	210	441
Government grants (Note)	243	21
Visa application income	369	407
Seminar and training income	633	674
Sundry income	33	17
	1,488	1,613

Note: For the year ended 31 December 2025, the Group recognised the government grants approximately HK\$243,000 (2024: approximately HK\$21,000) of which approximately HK\$135,000 (2024: approximately HK\$9,000) related to Maternity Allowance and Job Stability subsidy granted by the PRC Government, approximately HK\$12,000 (2024: approximately HK\$12,000) related to employment subsidy under “Corporate Income Tax Rebate Cash Grant” provided by the Inland Revenue Authority of Singapore and approximately HK\$96,000 (2024: Nil) related to Technology Voucher Programme.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. OTHER (LOSSES) GAINS

	2025 HK\$'000	2024 HK\$'000
Net unrealised gain (loss) on financial assets at FVTPL	39	(17)
Gain on disposal of financial assets at FVTPL	–	135
Loss on disposal of property, plant and equipment	(4)	(7)
Impairment loss on other intangible asset	(52)	–
Reversal of provision of reinstatement costs (note 25)	–	401
	(17)	512

8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	524	318
Interest on bank borrowings	241	115
Interest on provision for reinstatement costs (note 25)	30	25
	795	458

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. PROFIT (LOSS) BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
Profit (loss) before taxation has been arrived at after charging:		
Directors' remuneration (note 11)	7,663	6,746
Salaries and allowance for staff excluding directors	210,348	172,276
Staff welfare	209	371
Retirement benefit schemes contributions for staff excluding directors	9,767	8,294
Total staff costs	227,987	187,687
Rental expenses in respect of short-term leases	267	487
Depreciation of property, plant and equipment	925	2,259
Depreciation of right-of-use assets	4,676	4,822
Auditor's remuneration	600	650

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (CREDIT)

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong Profits Tax	1,317	173
– Mainland China	–	–
– Macau	–	–
– Singapore	–	–
Under (over) provision in prior years		
– Hong Kong Profits Tax	3	(441)
	1,320	(268)
Deferred tax (note 24)	(67)	(84)
	1,253	(352)

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

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

Macau Complementary Tax is calculated at 12% of the estimated assessable profits exceeding Macao Pataca (“MOP”) 600,000 for each of the years ended 31 December 2025 and 2024. No provision of Macau Complementary Tax was made as the subsidiary in Macau has no assessable profits exceeding MOP600,000 in both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the years ended 31 December 2025 and 2024. No provision for EIT is made as the taxable income is wholly absorbed by tax losses brought forward from prior year for the year ended 31 December 2025, and no taxable income arising in the PRC for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (CREDIT) – continued

According to Guangdong Provincial Tax Service and Shanghai Municipal Tax Service, State Taxation Administration 《財政部稅務總局關於實施小微企業和個體工商戶所得稅優惠政策的公告》(2023年第12號), for the annual taxable income not exceeding RMB3 million, the subsidiary is subject to the EIT calculated at 25% of its taxable income at a tax rate of 20% from 1 January 2023 to 31 December 2027.

Singapore Corporate Income Tax is calculated at the rate of 17% on the estimated chargeable income arising in Singapore for the years ended 31 December 2025 and 2024. No provision of Corporate Income Tax was made as the subsidiary in Singapore has no chargeable income for the year ended 31 December 2025 and the chargeable income is wholly absorbed by tax losses brought forward from prior year for the year ended 31 December 2024.

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

	2025 HK\$'000	2024 HK\$'000
Profit (loss) before taxation	3,808	(2,899)
Tax at Hong Kong Profits Tax rate of 16.5%	628	(478)
Tax effect of income not taxable for tax purposes	(72)	(66)
Tax effect of expenses not deductible for tax purposes	168	124
Tax effect of tax loss not recognised	1,141	1,104
Tax effect of deductible temporary difference not recognised	31	258
Tax effect of different tax rate of subsidiaries operating in other jurisdiction	(336)	(463)
Tax effect of tax exemption under Macau complementary Tax	(45)	(39)
Under (over) provision in respect of prior years	3	(441)
Utilisation of tax losses previously not recognised	(91)	(184)
Income tax at concessionary rate	(165)	(165)
Tax concession	(9)	(2)
Income tax expense (credit) for the year	1,253	(352)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES

Directors and Chief Executive

Directors' and chief executive's remuneration paid or payable by the entities comprising the Group during the year, disclosed pursuant to the applicable GEM Listing Rules and the Hong Kong Companies Ordinance is as follows:

For the year ended 31 December 2025

	Executive directors				Independent non-executive directors			Total
	Mr. Kevin Chan	Mr. Eddie Chan	Mr. Jackson Chan	Ms. Yeung Shek Louisa	Mr. Poon Kai Kin	Mr. Cheung Wang Kei Wayne	Dr. Lau Kin Shing Charles	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Fee	-	-	-	-	120	120	120	360
Other emoluments								
– Salaries and other benefits	1,560	1,560	1,560	1,560	-	-	-	6,240
– Performance related bonus (Note 1)	287	287	287	130	-	-	-	991
– Retirement benefit scheme contributions	18	18	18	18	-	-	-	72
	1,865	1,865	1,865	1,708	120	120	120	7,663

Note:

- The performance related bonus are determined by reference to the Group's operating results, individual performance and prevailing market conditions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES – continued

Directors and Chief Executive – continued

For the year ended 31 December 2024

	Executive directors				Independent non-executive directors			Chief Executive		
	Mr. Kevin Chan	Mr. Eddie Chan	Mr. Jackson Chan	Ms. Yeung Shek Louisa	Mr. Poon Kai Kin	Mr. Cheung Wang Kei Wayne	Dr. Lau Kin Shing Charles	Ms. Yeung Shek Louisa	Subtotal	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(Note 2)				(Note 2)		
Fee	-	-	-	-	120	120	120	-	360	360
Other emoluments										
- Salaries and other benefits	1,560	1,560	1,560	390	-	-	-	5,070	1,170	6,240
- Performance related bonus (Note 1)	376	376	376	130	-	-	-	1,258	-	1,258
- Retirement benefit scheme contributions	18	18	18	4	-	-	-	58	14	72
	1,954	1,954	1,954	524	120	120	120	6,746	1,184	7,930

Notes:

- The performance related bonus are determined by reference to the Group's operating results, individual performance and prevailing market conditions.
- Ms. Yeung Shek Shek Louisa is appointed as an Executive Director on 1 October 2024. Before the appointment of Executive Director, she was acting as Chief Executive of the Company and the Group.

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

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The chief executive's emoluments shown above were for her services in connection with the management of the affairs as chief executive officer of the Company and the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. EMOLUMENTS OF DIRECTORS AND CHIEF EXECUTIVE AND EMPLOYEES – continued

Employees

The five highest paid individuals of the Group do not include any directors or chief executive of the Company for each of the reporting period. Details of the remuneration for the year of the five highest paid employees who are not directors or chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	7,646	7,608
Retirement benefit scheme contributions	211	201
	7,857	7,809

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

	2025 No. of employees	2024 No. of employees
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$1,500,001 to HK\$2,000,000	3	3
	5	5

No emoluments were paid by the Group to the directors or chief executive of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years. None of the directors waived or agreed to waive any emoluments during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIVIDENDS

No dividend has been proposed by the directors of the Company for the year ended 31 December 2025 (2024: Nil).

13. PROFIT (LOSS) PER SHARE

The calculation of the basic profit (loss) per share attributable to the owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Profit (loss) for the year	2,555	(2,547)

	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic profit (loss) per share	800,000,000	800,000,000

No diluted profit (loss) per share for years ended 31 December 2025 and 2024 were presented as there were no potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and equipment HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST					
At 1 January 2024	7,438	1,475	1,936	1,911	12,760
Additions	8	2	134	150	294
Disposals	–	–	(43)	(217)	(260)
Exchange realignment	(37)	(8)	(10)	(12)	(67)
At 31 December 2024	7,409	1,469	2,017	1,832	12,727
Additions	24	97	214	20	355
Written-off	–	(19)	–	–	(19)
Disposals	–	(53)	–	–	(53)
Exchange realignment	55	10	18	19	102
At 31 December 2025	7,488	1,504	2,249	1,871	13,112
DEPRECIATION					
At 1 January 2024	5,930	852	1,302	1,016	9,100
Provided for the year	1,303	219	257	480	2,259
Eliminated on disposals	–	–	(43)	(102)	(145)
Exchange realignment	(25)	(5)	(7)	(9)	(46)
At 31 December 2024	7,208	1,066	1,509	1,385	11,168
Provided for the year	156	175	216	378	925
Eliminated on written-off	–	(19)	–	–	(19)
Eliminated on disposals	–	(48)	–	–	(48)
Exchange realignment	49	7	13	17	86
At 31 December 2025	7,413	1,181	1,738	1,780	12,112
CARRYING VALUES					
At 31 December 2025	75	323	511	91	1,000
At 31 December 2024	201	403	508	447	1,559

The above items of property, plant and equipment are depreciated on a straight-line method at the following rates per annum:

Leasehold improvements	Over the term of the lease
Furniture and equipment	20%
Office equipment	20%
Motor vehicles	25%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS

		Leased offices HK\$'000
As at 31 December 2025		
Carrying amount		7,027
As at 31 December 2024		
Carrying amount		10,151
For the year ended 31 December 2025		
Depreciation charge		4,676
For the year ended 31 December 2024		
Depreciation charge		4,822

	Year ended 31 December 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Rental expenses related to short-term leases	267	487
Total cash outflow for leases	5,333	4,957
Addition to right-of-use assets	506	10,646
Modification of right-of-use assets	925	–

The Group leases various offices for its operations. Lease contracts are entered into for fixed term of 1 year to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The right-of-use assets are depreciated on a straight-line basis over the short of its estimated useful life and the lease term.

The Group regularly entered into short-term leases for offices. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short term lease expense disclosed above.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. OTHER INTANGIBLE ASSET

	Club Membership HK\$'000
COST	
At 1 January 2024, 31 December 2024 and 31 December 2025	980
IMPAIRMENT	
At 1 January 2024 and 31 December 2024	–
Impairment loss recognised in the year	52
At 31 December 2025	52
CARRYING VALUES	
At 31 December 2025	928
At 31 December 2024	980

The Group acquired the club membership from Hong Kong Golf & Tennis Academy Town Club in 2022. Membership is considered as having an indefinite useful life as there is no time limit for which the Group can use the membership, and therefore it will not be amortised until its useful life is determined to be finite upon reassessment annually. Accordingly, the intangible asset is tested for impairment annually and whenever there is an indication that it may be impaired.

During the year ended 31 December 2025, impairment loss of HK\$52,000 for the membership was recognised (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. ACCOUNTS AND OTHER RECEIVABLES AND RENTAL DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Accounts receivables	36,807	40,116
Less: Allowance for ECL	(487)	(1,284)
	36,320	38,832
Other receivables		
– Prepayments	1,280	1,190
– Rental and utility deposits	1,717	1,541
– Others	353	268
Less: Allowance for ECL	(139)	–
Total accounts and other receivables	39,531	41,831
Less: Receivables within twelve months shown under current assets	(38,064)	(40,547)
Rental deposits shown under non-current assets	1,467	1,284

Generally, the Group allows a credit period of not more than 60 days to its customers.

The following is an ageing analysis of accounts receivables presented based on the revenue recognition date at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
Within 30 days	26,955	29,589
31 to 60 days	3,636	4,316
61 to 90 days	3,347	1,574
91 to 180 days	1,831	2,914
Over 180 days	551	439
	36,320	38,832

The management of the Group closely monitors the credit quality of accounts receivables and considers the debts that are neither past due nor impaired to be of a good credit quality. Receivables that are neither past due nor impaired related to a wide range of customers for whom there is no history of default.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. ACCOUNTS AND OTHER RECEIVABLES AND RENTAL DEPOSITS

– continued

In determining the recoverability of the accounts receivables, the Group monitors any changes in the credit quality of the accounts receivables since the credit was granted and up to the end of the reporting period. The directors consider that the Group has no significant concentration of credit risk on its accounts receivables, with exposure spread over a number of counterparties and customers.

As at 31 December 2025, included in the Group's accounts receivables balance are debtors with aggregate carrying amount of approximately HK\$8,032,000 (2024: approximately HK\$9,559,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$720,000 (2024: approximately HK\$792,000) has been past due over 90 days or more and is not considered as in default. The directors of the Company are in the view that there have been no significant increase in credit risk nor default because of good repayment records for those customers and continuous business with the Group.

Impairment assessment on accounts receivables subject to ECL model

As part of the Group's credit risk management, the Group takes reference to external credit rating of its customers and the Group's historical observed default rates and are adjusted for forward-looking information that is available without undue cost or effort. The following tables provide information about the exposure to credit risk and ECL for accounts receivables.

2025

	Gross carrying amount HK\$'000	Weighted average loss rate	Allowance for ECL HK\$'000
Low risk	36,563	0.79%	290
High risk – 1	50	6.00%	3
High risk – 2	194	100.00%	194
	36,807		487

2024

	Gross carrying amount HK\$'000	Weighted average loss rate	Allowance for ECL HK\$'000
Low risk	38,813	0.77%	297
High risk – 1	336	5.95%	20
High risk – 2	967	100.00%	967
	40,116		1,284

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. ACCOUNTS AND OTHER RECEIVABLES AND RENTAL DEPOSITS

– continued

Impairment assessment on accounts receivables subject to ECL model – continued

Quality classification definitions:

Internal credit rating	Description	Accounts receivables
“Low risk”:	The counterparty has a low risk of default and does not have any past-due amounts; or the counterparty has amounts past-due but is continuously settling after due date and with continuous business transactions with the Group.	Lifetime ECL – not credit-impaired
“High risk – 1”:	There have been significant increases in credit risk since initial recognition through information developed internally or external resources while the counterparty is with continuous business transactions with the Group.	Lifetime ECL – not credit-impaired
“High risk – 2”:	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired

The estimated loss rates are estimated based on the external credit rating, the Group’s observed default rates and supportable forward-looking information that is available to the directors of the Company without undue cost or effort.

The movement in the allowance for impairment in respect of accounts receivables for the years ended 31 December 2025 and 2024 is as follows:

	Lifetime ECL (not credit-impaired) HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000
Balance at 1 January 2024	224	854	1,078
Impairment loss recognised	253	113	366
Impairment loss reversed	(160)	–	(160)
Balance at 31 December 2024	317	967	1,284
Impairment loss recognised	199	–	199
Impairment loss reversed	(223)	(773)	(996)
Balance at 31 December 2025	293	194	487

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. ACCOUNTS AND OTHER RECEIVABLES AND RENTAL DEPOSITS

– continued

Impairment assessment on accounts receivables subject to ECL model – continued

During the year ended 31 December 2025, net impairment loss allowance related to accounts receivables of approximately HK\$797,000 was reversed (2024: approximately HK\$206,000 was recognised) and approximately HK\$223,000 and HK\$773,000 reversal of impairment loss allowance related to accounts receivables that are not-credit impaired and credit-impaired was recognised in profit or loss, respectively.

The impairment assessment on other receivables subject to ECL model as disclosed in note 29.

18. EQUITY INSTRUMENT AT FVTOCI

	2025 HK\$'000	2024 HK\$'000
Unlisted equity investment (Note)	778	1,174

Note: The unlisted equity investment represented the Group's investment in a private company established in British Virgin Islands, which is a venture capital Company.

The unlisted investment was originally held for long-term strategic purposes. Following the investee's continued underperformance, the Group's investment agent initiated legal action to recover the carrying amount. Management has concurred with this strategy and the agent has engaged legal counsel to commence winding-up proceedings against the investee on the Group's behalf. The Group, in coordination with its agent, continues to monitor the recovery process and will adjust the investment's valuation as further information becomes available.

19. FINANCIAL ASSETS AT FVTPL

	2025 HK\$'000	2024 HK\$'000
Hong Kong listed equity securities held for trading (Note)	458	419

Note: The fair values of listed securities are based on the bid prices quoted in active markets in Hong Kong.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. PLEDGED BANK DEPOSITS, BANK BALANCES AND CASH

Bank balances and pledged bank deposits

Bank balances carried interest at prevailing market interest rates based on daily bank deposits rates for both years.

Pledged bank deposits carry fixed interest rate of 2.5% (2024: in a range of 3.10% to 4.25%) per annum and represent deposit pledged to banks to secure banking facilities granted to the Group. As at 31 December 2025, HK\$2,000,000 (2024: HK\$2,400,000) have been pledged to secure revolving loan and corporate credit cards are therefore classified as current assets.

For the years ended 31 December 2025 and 2024, the Group performed impairment assessment on bank balances and pledged bank deposits and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for ECL is provided.

21. OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITY

	2025 HK\$'000	2024 HK\$'000
Other payables	3,282	2,467
Accrued expenses	1,099	1,117
Accrued payroll expenses	13,837	10,862
	18,218	14,446
	2025 HK\$'000	2024 HK\$'000
Contract liability		
Secondment and payroll services	332	193

For secondment and payroll services, the management expects that the unsatisfied performance obligations will be recognised as revenue within one year according to the contract period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	4,384	4,197
Within a period of more than one year but not more than two years	2,469	3,940
Within a period of more than two years but not exceeding five years	388	2,095
	7,241	10,232
Less: Amount due for settlement within 12 months shown under current liabilities	(4,384)	(4,197)
Amount due for settlement after 12 months shown under non-current liabilities	2,857	6,035

The Company does not expose to a significant liquidity risk with regard to its lease liabilities. Lease liabilities is monitored by the Company's treasury function. The weighted average lessee's incremental borrowing rate is 5.92% per annum for the year ended 31 December 2025 (2024: 6.39%).

23. BANK BORROWING

	2025 HK\$'000	2024 HK\$'000
Secured	5,000	–
The carrying amounts of the above borrowing are repayable:		
Within one year	5,000	–

The bank borrowing was personal guaranteed by Mr. Chan Ka Kin Kevin, Mr. Chan Ka On Eddie, Mr. Chan Ka Shing Jackson, the executive directors and ultimate controlling parties of the Company and Mr. Chow Ka Wai Raymond, the ultimate controlling parties of the Company. The bank borrowing was secured by the Group's pledged bank deposits which set out in note 20.

The effective interest rates (which also equals to contracted interest rate) of bank borrowing is 5.65% (2024: Nil) per annum. No repayable on demand clause for the bank borrowing.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. DEFERRED TAX LIABILITY

The following is the major deferred tax liability recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK\$'000
At 1 January 2024	233
Credit to profit or loss	(84)
At 31 December 2024	149
Credit to profit or loss	(67)
At 31 December 2025	82

At 31 December 2025, the Group has unused tax losses of approximately HK\$19,608,000 (2024: approximately HK\$12,765,000) available for offset against future profits. No deferred tax asset has been recognised in respect of approximately HK\$20,384,000 (2024: approximately HK\$13,583,000) due to the unpredictability of future profit streams. Include in unrecognised tax losses are losses of approximately HK\$15,827,000 (2024: approximately HK\$10,537,000) that can be carried forward for one to five years for the year ended 31 December 2025. Other unrecognised tax losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

At 31 December 2025 and 2024, no deferred taxation has been provided for in the consolidated financial statements in respect of accumulated loss of PRC subsidiary.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25. PROVISION FOR REINSTATEMENT COSTS

The provision for reinstatement costs represents management's best estimate of the Group's liabilities of the costs of dismantling and removing the leasehold improvements and restoring the offices on which leased offices are located.

The movement in the provision for reinstatement cost are as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	519	534
Additional provision	–	366
Reversal provision	–	(401)
Interest expenses	30	25
Exchange realignment	7	(5)
As at 31 December	556	519

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary share of HK\$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	4,000,000,000	40,000,000
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 31 December 2025	800,000,000	8,000,000

27. PLEDGE OF ASSET

At the end of the reporting period, the following asset of the Group has been pledged to bank to secure general bank facilities granted to the Group:

	2025 HK\$'000	2024 HK\$'000
Pledged bank deposits (note 20)	2,000	2,400

28. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management of the Group considers the cost and the risks associates with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Amortised cost (including cash and cash equivalents)	81,656	67,733
Equity instrument at FVTOCI	778	1,174
Financial assets at FVTPL	458	419
Financial liabilities		
Amortised cost	7,861	2,082
Lease liabilities	7,241	10,232

Financial risk management objectives and policies

The Group's financial instruments include rental deposits, equity instrument at FVTOCI, accounts and other receivables, financial assets at FVTPL, pledged bank deposits, bank balances and cash, other payables, bank borrowing and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Group is exposed to fair value interest rate risk which arise from lease liabilities (see note 22). The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and unlisted investment (see notes 20 and 18, respectively) due to the fluctuation of the prevailing market interest rate. The Group currently does not have a policy on hedging interest rate risk. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Market risk – continued

Interest rate risk – continued

Sensitivity analysis

No sensitivity analysis on interest rate risk on bank deposits is presented as the directors of the Company consider the sensitivity on interest rate risk on bank deposits is insignificant.

Equity price risk

The Group is mainly exposed to equity price risk through its investments in listed equity securities and unlisted equity investment. The Group has a team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If the price of the listed equity securities at FVTPL had been 10% (2024: 10%) higher/lower, the Group's profit after taxation would increase/decrease by approximately HK\$38,000 (2024: approximately HK\$35,000).

If the price of the unlisted equity investment at FVOCI had been 10% (2024: 10%) higher/lower, the investment revaluation reserve would increase/decrease by approximately HK\$65,000 (2024: approximately HK\$98,000).

Credit risk

Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its accounts receivables. In order to minimise the credit risk, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items as disclosed in note 17.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Credit risk – continued

Overview of the Group's exposure to credit risk – continued

As at 31 December 2025, the Group has concentration of credit risk as 16% (2024: 28%) of the total accounts receivables was due from the Group's largest debtor. The Group's concentration of credit risk on the top five largest debtors accounted for 37% (2024: 42%) of the total accounts receivables as at 31 December 2025. The management of the Group considered the credit risk of amounts due from these customers is insignificant after considering their historical settlement record, credit quality and financial position.

The Group considered the credit risk on the rental deposits and other receivables at the end of the reporting period using the past due information. For the year ended 31 December 2025, a loss allowance of HK\$139,000 (2024: Nil) was made for other receivables. No loss allowance was made for rental deposits as the amount of ECL with respect to these balances is considered insignificant for the years ended 31 December 2025 and 2024.

The credit risk on pledged bank deposits and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on pledged bank deposits and bank balances which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk, with exposure spread over a number of counterparties.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Liquidity risk – continued

Liquidity tables

	Weighted average interest rate %	On demand or less than 3 months HK\$'000	Over 3 months but not more than 1 year HK\$'000	Over 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carry amount HK\$'000
At 31 December 2025						
Lease liabilities	5.92	1,331	3,350	2,937	7,618	7,241
Other payables	–	2,861	–	–	2,861	2,861
Bank borrowing	5.65	5,000	–	–	5,000	5,000
		9,192	3,350	2,937	15,479	15,102

	Weighted average interest rate %	On demand or less than 3 months HK\$'000	Over 3 months but not more than 1 year HK\$'000	Over 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carry amount HK\$'000
At 31 December 2024						
Lease liabilities	6.39	1,202	3,507	6,352	11,061	10,232
Other payables	–	2,082	–	–	2,082	2,082
		3,284	3,507	6,352	13,143	12,314

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of each year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. FINANCIAL INSTRUMENTS – continued

Fair value measurement of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For the instrument with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 2025 HK\$'000	Fair value as at 2024 HK\$'000	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)
1. Listed equity securities classified as equity instruments at FVTPL	458	419	Level 1	The fair value of the equity securities is estimated by the price quotation available on the Hong Kong Stock Exchange.	N/A
2. Unlisted equity investment classified as equity instrument at FVTOCI	778	1,174	Level 3	2025: Income approach (Probability – weighted expected return) (2024: Market comparison approach. Use of the most reasonable and available multiples.)	2025: Expected recovery rate: 50% (Note i) / Estimated time to settlement (within 1 years) 2024: Price to sales ratio of comparable multiple in range of 0.94 times to 4.06 times and risk adjustments for lack of marketability and lack of control. (Note ii)

Note i: The higher the expected recovery rates, the higher the fair value of unlisted equity securities.

Note ii: The higher the multiples, the higher the fair value of unlisted equity securities. The higher the risk adjustments, the lower the fair value of unlisted equity securities. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.

There were no transfers between Level 1 and Level 2 and no transfer into or out of Level 3 for value measurements for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. FINANCIAL INSTRUMENTS – continued

Fair value measurement of financial instruments – continued

Reconciliation of Level 3 fair value measurement of financial asset

	2025 HK\$'000	2024 HK\$'000
Unlisted equity investment classified as equity instrument at FVTOCI		
At 1 January	1,174	1,370
Loss on fair value change	(396)	(196)
At 31 December	778	1,174

Except for the financial assets that are measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

30. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other member of key management during the year was as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term benefits	7,231	7,858
Post-employments benefits	72	72
	7,303	7,930

Further details of the directors' emoluments are included in note 11.

Except as described as above, the Group did not enter into transactions with related party in 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. RETIREMENT BENEFITS PLANS

The Group participates in the Mandatory Provident Fund (“MPF”) Scheme for all its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

Eligible employees of the Group are covered by a government-mandated defined contribution plan pursuant to which a fixed amount of retirement benefit would be determined and paid by the Macau Government. Contributions are generally made by both employees and employers by paying a fixed amount on a monthly basis to the Social Security Fund Contribution managed by the Macau Government. The Group funds the entire contribution and has no further commitments beyond its monthly contributions.

The subsidiary in the PRC is required to make contributions to the state-managed retirement scheme in the PRC based on a specific percentage of the payroll costs of its current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the pension liability to these retired staff.

As prescribed by the Central Provident Fund Board of Singapore, the Group’s employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the Central Provident Fund scheme (“CPF Scheme”). The Group contributes up to 17% (2024: 17%) of the eligible employees’ salaries to the CPF Scheme, with each employee’s qualifying salary capped at Singapore Dollar (“SGD”) SGD7,400 (2024: SGD6,800) per month.

The total cost of approximately HK\$9,839,000 (2024: approximately HK\$8,352,000) charged to profit or loss represents contributions paid or payable to the above schemes by the Group for the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. RETIREMENT BENEFITS PLANS – continued

Obligation to pay Long Service Payment (“LSP”) under Hong Kong Employment Ordinance (Chapter 57)

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

Last month’s wages (before termination of employment) $\times$ $\frac{2}{3}$ $\times$ years of service

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

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

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset the LSP (the “Abolition”). The Abolition will officially take effect on 1 May 2025 (the “Transition Date”). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group’s mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group’s voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last month’s wages immediately preceding the Transition Date and the years of service up to that date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. SHARE OPTION SCHEME

Pursuant to the written resolutions of the then shareholders passed on 13 September 2018, a share option scheme was adopted for the primary purpose of providing incentives or rewards to selected participants. The share option scheme shall be valid and effective for a period of 10 years commencing on 13 September 2018.

Under the scheme, the board of directors of the Company may grant options to directors, employees, suppliers, clients, consultants, agents, advisers, franchisees, joint venture partners and related entities to the Company and its subsidiaries and entities in which the Group holds equity interest at the discretion of the board of directors pursuant to the terms of the scheme, to subscribe for shares of the Company at a price which shall not be less than the highest of (i) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the option (which must be a business day); (ii) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day); and (iii) the nominal value of the shares.

The maximum number of shares in respect of which options shall be granted under the scheme and any other share option schemes of the Company is 10% of the total number of shares in issue at the date of approval of adoption of the scheme. No director, employee or eligible participant may be granted options under the scheme which will enable him or her if exercise in full to subscribe for more than 1% of the issued share capital of the Company in any 12-month period. The option period for which the options granted can be exercisable, shall be such period as notified by the Board, save that it shall not be more than 10 years from the date of grant subject to the terms of the scheme. Nominal consideration of HK\$1 is payable on acceptance of each grant and the share options granted shall be accepted within 28 days from the date of grant.

No share option was granted or remained outstanding under the scheme during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. PARTICULARS OF THE COMPANY'S SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Shareholding/equity interest attributable to the Company		Principal activities
			2025	2024	
Directly held:					
KOS International (BVI) Limited	BVI	US\$1	100%	100%	Investment holding
KOS Macau (BVI) Limited	BVI	US\$1	100%	100%	Investment holding
KOS Investment Limited	BVI	US\$10,000	100%	100%	Investment holding
KOS SG PTE. LTD.	Singapore	SGD100	100%	100%	Provision of recruitment services
KOS Singapore (BVI) Limited	BVI	US\$1	100%	100%	Investment holding
KOS China (BVI) Limited	BVI	US\$1	100%	100%	Investment holding

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. PARTICULARS OF THE COMPANY'S SUBSIDIARIES – continued

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Shareholding/equity interest attributable to the Company		Principal activities
			2025	2024	
Indirectly held:					
KOS International Limited	Hong Kong	Ordinary shares HK\$10,000	100%	100%	Provision of recruitment and secondment and payroll services
KOS International Limited	Macau	Ordinary shares MOP30,000	100%	100%	Provision of secondment and payroll services
KOS Staffing Limited	Hong Kong	Ordinary shares HK\$10,000	100%	100%	Provision of recruitment and secondment and payroll services
KOS Business Consulting (Shenzhen) Limited* 高奧士人力資源服務 (深圳) 有限公司	PRC	Registered capital US\$2,100,000 (2024: US\$1,800,000)	100%	100%	Provision of recruitment services and labour dispatch
KOS Solutions Limited	Hong Kong	Ordinary shares HK\$10,000	100%	100%	Provision of recruitment and secondment and payroll services
KOS China Limited	Hong Kong	Ordinary shares HK\$10,000	100%	100%	Investment holding
高奧士人事服務(廣州) 有限公司	PRC	Registered capital RMB100,000	100%	100%	Investment holding
高奧仕企業服務(上海) 有限公司	PRC	Registered capital RMB100,000	100%	100%	Provision of consultancy services
深圳市前海高奧士人事 服務有限公司#	PRC	Registered capital RMB100,000	100%	–	Provision of consultancy services

* The English name of the wholly foreign owned enterprise registered in the PRC is for identification purpose only.

The Company is newly incorporated during the year.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities is that for which cash flows was, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Lease liabilities <i>HK\$'000</i>	Bank borrowing <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	4,393	–	4,393
New lease entered	10,069	–	10,069
Financing cash flows	(4,470)	(115)	(4,585)
Interest expense	318	115	433
Exchange realignment	(78)	–	(78)
At 31 December 2024	10,232	–	10,232
New lease entered	503	–	503
Lease modification	925	–	925
Financing cash flows	(5,066)	4,759	(307)
Interest expense	524	241	765
Exchange realignment	123	–	123
At 31 December 2025	7,241	5,000	12,241

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current asset		
Investments in subsidiaries	78	78
Current assets		
Other receivables and prepayments	145	–
Amounts due from subsidiaries	38,333	38,282
Tax recoverable	–	92
Bank balances	186	132
	38,664	38,506
Current liabilities		
Other payables and accruals	179	174
Amounts due to subsidiaries	139	139
Tax payable	21	–
	339	313
Net current assets	38,325	38,193
Total assets less current liabilities	38,403	38,271
Capital and reserves		
Share capital	8,000	8,000
Reserves	30,403	30,271
Total equity	38,403	38,271

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY – continued

Movement of the reserves

	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	39,738	26,601	(36,087)	30,252
Profit and total comprehensive income for the year	–	–	19	19
At 31 December 2024	39,738	26,601	(36,068)	30,271
Profit and total comprehensive income for the year	–	–	132	132
At 31 December 2025	39,738	26,601	(35,936)	30,403

Other reserve of the Company represents the difference between the aggregate net assets of the subsidiaries acquired by the Company pursuant to a group reorganisation in June 2018 and the nominal value of the Company's shares issued for the acquisition.

Five Years Financial Summary

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements in the respective annual report.

RESULTS	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	257,200	213,297	143,566	125,965	108,948
Profit (loss) before taxation	3,808	(2,899)	(3,871)	16,555	14,836
Income tax (expense) credit	(1,253)	352	(286)	(2,508)	(2,032)
Profit (loss) for the year	2,555	(2,547)	(4,157)	14,047	12,804

ASSETS AND LIABILITIES	At 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	93,127	83,702	80,486	91,672	75,999
Total liabilities	(32,496)	(25,539)	(19,257)	(25,865)	(23,732)
	60,631	58,163	61,229	65,807	52,267
Equity attributable to owners of the Company	60,631	58,163	61,229	65,807	52,267