

PineStone 鼎石

Pinestone Capital Limited

鼎石資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 804)

2025

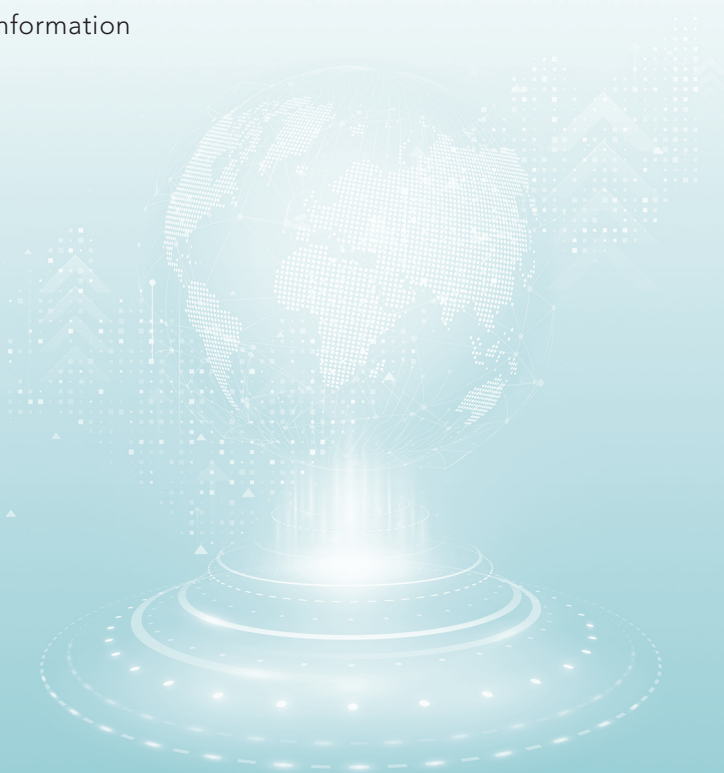
INTERIM REPORT

中期業績報告



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Corporate Information

Board of Directors (The "Board") Executive Directors

Mr. Lee Chun Tung (redesignated as
Chairman of the Company on
2 June 2025)
Mr. Wang Han
(appointed on 2 June 2025)#
Miss Cheung Ka Yi
(appointed on 2 June 2025)
Mr. Zhu Zheping (retired on 30 May 2025)
Ms. Liu Yundi (resigned on 30 May 2025)
Mr. Li Dapeng
(resigned on 10 January 2025)

(also acts as CEO of the Company)

Non-executive Director

Mr. Lau Chun Hung
Mr. Shi Zhu (retired on 30 May 2025)

Independent Non-Executive Directors

Mr. Cheng Man Pan
Mr. Lau Kelly
Mr. Wong Chun Peng Stewart

Audit Committee

Mr. Cheng Man Pan (*Chairman*)
Mr. Lau Kelly
Mr. Wong Chun Peng Stewart

Nomination Committee

Mr. Lau Kelly (*Chairman*)
Mr. Wong Chun Peng Stewart
Mr. Cheng Man Pan

Remuneration Committee

Mr. Cheng Man Pan (*Chairman*)
Mr. Lau Kelly
Mr. Wong Chun Peng Stewart

Company Secretary

Mr. Au Kin Kee Kinson *ACS ACIS*

Authorised Representatives

Mr. Lau Chun Hung
Mr. Lee Chun Tung

Trading Stock Code 804

Registered Office

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

Headquarter and Principal Place of Business in Hong Kong

Room 1608 16/F.#
Nan Fung Tower
88 Connaught Road Central
Central
Hong Kong (# relocated on 28 July 2025)

Hong Kong Branch Share Registrar & Transfer Office

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

Principal Banker

Bank of China (Hong Kong) Limited
2/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Auditor

BDO Limited
Certified Public Accountants
25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

Solicitors

S.Y. Wong & Co
Room 1207, 12/F
Harcourt House
39 Gloucester Road
Wan Chai
Hong Kong

Company's Website

www.pinestone.com.hk

Financial Highlights

- The Group recorded an unaudited revenue of approximately HK\$16.9 million for the six months ended 30 June 2025, representing an increase of approximately HK\$6.2 million or approximately 58% as compared to approximately HK\$10.7 million for the six months ended 30 June 2024.
- The Group recorded an unaudited net loss of approximately HK\$3.7 million for the six months ended 30 June 2025, as compared to an unaudited net loss of approximately HK\$0.8 million for the corresponding period in 2024. The primary cause of the increase in net loss was the rise in compliance, professional, and agency fees, as well as other expenses, which together led to higher other operating expenses of HK\$16.1 million for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$2.9 million).
- The basic and diluted loss per share for the six months ended 30 June 2025 were HK0.76 cents (30 June 2024: loss per share HK0.19 cents) (restated).
- The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

Unaudited Condensed Consolidated Interim Results for the Six Months Ended 30 June 2025

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding period in 2024, as follows:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Notes		
REVENUE	4	16,875	10,715
Other income	6	506	52
Commission and fee expenses		(1,057)	(510)
Employee benefit expenses		(3,947)	(3,013)
Depreciation		(6)	(487)
Impairment losses on trade and loans receivables, net		–	(4,616)
Other operating expenses		(16,055)	(2,947)
(LOSS) BEFORE INCOME TAX		(3,684)	(806)
(LOSS) FOR THE PERIOD		(3,684)	(806)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(3,684)	(806)
		HK cents	HK cents (Restated)
(LOSS) PER SHARE			
Basic and diluted	10	(0.76)	(0.19)

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	6	12
Intangible asset		500	500
Statutory deposits placed with stock exchange and clearing house		205	205
Deferred tax assets		12,284	12,284
Prepayment for investment	12	6,700	6,400
		19,695	19,401
Current assets			
Trade receivables	13	48,697	55,134
Loans receivable	14	53,258	47,749
Other receivables, deposits and prepayments		6,200	1,381
Tax recoverable		3,591	2,693
Trust bank balances held on behalf of customers	15	6,648	12,585
Cash and bank balances		16,957	15,929
		135,351	135,471
Current liabilities			
Trade payables	16	5,337	12,243
Other payables and accruals		728	3,245
Contract liabilities	17	–	1,012
		6,065	16,500
Net current assets		129,286	118,971
Total assets less current liabilities		148,981	138,372

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
	<i>Notes</i>		
Net assets		148,981	138,372
CAPITAL AND RESERVES			
Share capital	21	9,745	8,121
Reserves		139,236	130,251
Total equity		148,981	138,372

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Share Capital HK\$'000	Share Premium* HK\$'000	Capital Reserves* HK\$'000	Retained profits* HK\$'000	Total HK\$'000
Six months ended 30 June					
2024 (unaudited)					
At 1 January 2024	8,121	199,993	(4,866)	(33,210)	170,038
Loss for the period	–	–	–	(806)	(806)
Total comprehensive income for the period	–	–	–	(806)	(806)
At 30 June 2024	8,121	199,993	(4,866)	(34,016)	169,232
Six months ended 30 June					
2025 (unaudited)					
At 1 January 2025	8,121	199,993	(4,866)	(64,876)	138,372
Transactions with owners:					
– Placing #	1,624	12,669	–	–	14,293
Profit/(Loss) for the period	–	–	–	(3,684)	(3,684)
Total comprehensive income for the period	–	–	–	(3,684)	(3,684)
At 30 June 2025	9,745	212,662	(4,866)	68,560	148,981

* The total of these balances at the end of the reporting period represents “Reserves” in the condensed consolidated statement of financial position.

The Company successfully placed a total of 81,210,000 new issued shares of HK\$0.020 each at the price of HK\$0.176 per placing share on 13 January 2025. The net proceeds from the placing, before and after deduction of the placing commission and other related expenses, amounted to approximately HK\$14.29 million and HK\$13.86 million respectively. Such proceeds had been fully utilized and were used for the Group’s general working capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Net cash (used in)/from operating activities	(13,212)	(10,268)
Net cash (used in)/from investing activities	(54)	27
Net cash (used in)/from financing activities	14,294	(497)
Net (decrease)/increase in cash and cash equivalents	1,028	(10,738)
Cash and cash equivalents at beginning of period	15,929	23,394
Cash and cash equivalents at end of period	16,957	12,656
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	16,957	12,656

Notes to the Condensed Consolidated Interim Financial Statements

1. Corporate Information

Pinestone Capital Limited (the “**Company**”) was incorporated as an exempted company in the Cayman Islands with limited liability. The shares of the Company were listed on the Main Board (“**Main Board**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Since 28 July 2025, its principal place of business has been relocated from Room 1807, 18/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong to Room 1608, 16/F., Nan Fung Tower, 88 Connaught Road Central, Sheung Wan, Hong Kong.

The Group, comprising the Company and its subsidiaries, is principally engaged in provision of securities brokerage services, securities-backed lending services including margin financing and money lending services, other lending services as well as placing and underwriting services.

The Company’s parent is Ultimate Vantage Group Limited (“**Ultimate Vantage**”), a limited liability company incorporated in the British Virgin Islands. In the opinion of the directors, Ultimate Vantage is also the ultimate parent of the Company.

The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited condensed consolidated statements were approved and authorised for issue by the directors on 28 August 2025.

Notes to the Condensed Consolidated Interim Financial Statements

2. Basis of Preparation and Accounting Policies

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated interim financial statements do not include all the information required for annual financial statements and thereby they should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

Save as the adoption of the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") that are first effective for the current accounting period, the accounting policies used in preparing these condensed consolidated interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2024 as described in those annual financial statements. Details of the changes in accounting policies are set out in note 3.

The unaudited condensed consolidated financial statements are prepared under the historical cost basis.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is same as the functional currency of the Company.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2024 annual financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

3. New or revised HKFRS Accounting Standards

New amendments effective for periods beginning on 1 January 2025 and therefore relevant to these interim financial statements:

Amendments to HKAS 21 *The HKFRS Update 2023/07 Amendments to HKAS 21 Effects of Changes in Foreign Exchange Rates* – Lack of Exchangeability

The amended HKFRS Accounting Standards relevant to the Group that are effective from 1 January 2025 did not have significant impact on the Group's accounting policies.

4. Revenue

The Group is principally engaged in the provision of securities brokerage services, securities-backed lending services, other lending services as well as placing and underwriting services. Revenue from the Group's principal activities recognised during the period is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15 (<i>Note</i>)		
– Commission income from securities brokerage Services	580	80
– Income from placing and underwriting services	8,927	570
– Handling fee income	50	4
	9,557	654
Revenue from other sources		
– Interest income from margin financing services	3,213	6,518
– Interest income from money lending services	4,105	3,543
	16,875	10,715

Note: Revenue from contracts with customers derived by the Group for the six months ended 30 June 2025 amounting to HK\$9,557,000 (six months ended 30 June 2024: HK\$654,000) is recognised at a point in time.

Notes to the Condensed Consolidated Interim Financial Statements

5. Segment Information

(a) Operating segment information

The information reported to the executive Directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, is the financial information of the Group as a whole as reported under HKFRSs. Such information does not contain profit or loss information of particular product or service line or geographical area. Therefore, the executive Directors determined that the Group has only one single reportable segment which is the provision of securities brokerage services, the securities-backed lending services as well as the placing and underwriting services. The executive Directors have allocated resources and assess performance on an aggregated basis.

(b) Geographical segment information

The Company is an investment holding company and the principal place of the Group's operations is in Hong Kong. Accordingly, management determines that the Group is domiciled in Hong Kong.

All of the revenue from customers are derived from activities in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no geographical information is presented.

(c) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Customer I	N/A	1,845
Customer II	N/A	1,481
Customer III	N/A	1,325
Customer IV	N/A	1,116
Customer V	N/A	N/A

Note: N/A – Not applicable as revenue generated from the customer was less than 10% of the Group's revenue for the respective period.

For the six months ended 30 June 2025, the largest customer accounted for approximately HK\$1.0 million revenues, representing approximately 5.9% of the Group's revenue of HK\$16.9 million.

Notes to the Condensed Consolidated Interim Financial Statements

6. Other Income

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Bank interest income	246	27
Custodian income	260	25
	506	52

7. Profit Before Income Tax

The Group's profit before income tax is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Auditor's remuneration	379	350

Notes to the Condensed Consolidated Interim Financial Statements

8. Income Tax Expense

The amount of income tax expense in the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Current tax – Hong Kong		
Profits Tax	–	–

The Group is subject to Hong Kong Profits Tax. The profit tax rate for the first HK\$2 million of profits of the nominated qualifying entity in the Group is subject to tax rate of 8.25% whereas profits above HK\$2 million are taxed at 16.5%. The profits of entities not qualifying for the two-tiered profit tax rates regime are taxed at 16.5%.

9. Dividend

The Directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

Notes to the Condensed Consolidated Interim Financial Statements

10. Loss Per Share

The calculation of basic earnings per share is based on the following data:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Earnings		
(Loss) for the period attributable to owners of the Company	(3,684)	(806)
	2025 Number of Shares '000	2024 Number of Shares (Restated) '000
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the period	481,896	418,658

The weighted average number of ordinary shares used for the purposes of calculating the basic earnings per share for both the six months ended 30 June 2025 and the six months ended 30 June 2024 are based on the weighted average number of shares in issue during the period as set out in Note 17. During the corresponding period for comparative review, the weighted average number of ordinary shares for the six months ended 30 June 2024 is restated accordingly.

Diluted earnings per share is the same as the basic earnings per share as there have been no dilutive potential ordinary shares in existence during the current period and prior period.

Notes to the Condensed Consolidated Interim Financial Statements

11. Property, Plant and Equipment

During the six months ended 30 June 2025, the Group did not incur any expenditure on acquisition of property, plant and equipment (six months ended 30 June 2024: nil).

12. Prepayment for Investment

The Company has formed a joint venture on 17 January 2025 with FEG Holdings Limited (Stock Code No.: 1413), which is principally engaged in the digital asset business. According to the contractual agreement, the total registered capital of the joint venture is HK\$25 million, of which the Company is expected to contribute HK\$10 million. As at 30 June 2025, the Company has contributed HK\$6.7 million for its stake of 40% interests.

13. Trade Receivables

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Trade receivables arising from securities dealing and margin financing (<i>note (a)</i>)		
– Margin clients (<i>note (b)</i>)	75,201	76,755
– Clearing House (<i>note (c)</i>)	(126)	2,669
Trade receivables arising from agency services (<i>note (d)</i>)	–	1,895
Trade receivables arising from placing and underwriting services (<i>note (d)</i>)	–	193
Less: Loss allowance (<i>note (e)</i>)	(26,378)	(26,378)
	48,697	55,134

Notes to the Condensed Consolidated Interim Financial Statements

13. Trade Receivables (continued)

Notes:

- (a) The settlement terms of trade receivables arising from the business of securities dealing are two business days after trade date ("**T+2**").
- (b) Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities for securities trading. The amount of credit facilities granted to the margin clients is determined with reference to the discounted market value of securities accepted by the Group. Margin loans due from margin clients are either current or repayable on demand for those margin clients subject to margin calls. No ageing analysis is disclosed for trade receivables from margin clients, as in the opinion of the directors, ageing analysis is not meaningful in view of the business nature of securities dealing and margin financing.

To manage the credit risk exposure, when the level of securities collateral in proportional to the outstanding loan due from the margin credit ("**collateral ratio**") has reached alarming level, the Group will demand the margin clients to deposit additional money or securities to maintain their margin accounts, or to sell their securities collateral to reduce the exposure.

Other than the above, the Group may implement other credit enhancement measures including to enter the repayment schedule for a period of normally less than one year with margin clients for settling their outstanding balances by money instalment, by depositing cash or securities in equivalent market value.

During the period of six months ended 30 June 2025, the Group had not written off any trade receivables. During the period of six months ended 30 June 2024, the Group had written off the trade receivables balance amounting to HK\$18.7 million as a client was in severe financial difficulties and there is no realistic prospect of recovery.

- (c) Trade receivables from clearing house, i.e. Hong Kong Securities Clearing Company Limited ("**HKSCC**"), is current which represents pending trades arising from the business of securities dealing and are normally due on "T+2" day in accordance with the requirements of Hong Kong Exchange and Clearing Limited.
- (d) As at 30 June 2025, trade receivables arising from agency services, placing and underwriting services were current, interest free and aged within 0-90 days based on the invoice dates.

Notes to the Condensed Consolidated Interim Financial Statements

13. Trade Receivables (continued)

Notes: (continued)

- (e) The movements in the loss allowance for trade receivables arising from the business of securities dealing and margin financing are as follows:

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
At 1 January	26,378	59,008
Impairment losses charged to profit or loss	–	9,149
Unwinding of discount	–	4,781
Amounts written off as uncollectible	–	(46,560)
Balance	26,378	26,378

14. Loans Receivable

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Loan Receivable arising from money lending	79,925	74,416
Less: Loan allowance	(26,667)	(26,667)
	53,258	47,749

Notes to the Condensed Consolidated Interim Financial Statements

14. Loans Receivable (continued)

Notes:

- (i) Loans receivable include certain individual or corporate borrowers with specific terms of the loan and a borrowing period of usually up to a year. As these term loans are normally repaid in lump sum in maturity, they would not be past due during the loan period.
- (ii) Loans receivable include our margin clients of the Group's securities dealing business, either (1) had entered into securities charge agreement with the Group charging certain securities or securities portfolio as collateral which were deposited in the designated custodian account maintained by the borrower; or (2) had undertaken to maintain a net assets value at a specified amount in terms of market value of securities held or cash in the designated margin account maintained by the borrower.

Loans receivable also include clients of our other money lending services who have secured charges or financial resources on other kinds of assets.

During the period of six months ended 30 June 2025, the Group had not written off any loans receivable. During the period of six months ended 30 June 2024, the Group had written off the loans receivable balance amounting to HK\$17.9 million as a borrower was in severe financial difficulties and there is no realistic prospect of recovery.

- (iii) The movements in the loss allowance for loan receivable arising from money lending business are as follows:

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
At 1 January	26,667	63,108
Impairment losses changed to profit or loss	–	11,751
Unwinding of discount	–	2,985
Amounts written off as uncollectable	–	(51,177)
Balance	26,667	26,667

Notes to the Condensed Consolidated Interim Financial Statements

15. Trust Bank Balances Held on behalf of Customers

In respect of the Group's business of securities dealing, the Group maintains segregated trust accounts with authorised financial institutions to hold clients' monies. The Group classifies clients' monies separately under current assets in the condensed consolidated statement of financial position and has recognised the corresponding balances due to cash and margin clients separately under trade payables on the grounds that the Group is liable for any loss or misappropriation of clients' monies and does not have a currently enforceable right to offset those payables with the deposits placed.

16. Trade Payables

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Trade payables arising from securities dealing:		
– Cash clients	3,204	10,092
– Margin clients	2,133	2,151
	5,337	12,243

The settlement terms of trade payables arising from the business of securities dealing are two business days after the trade date ("T+2"). Trade payables arising from securities trading during the "T+2" period are current whereas those which are outstanding after the "T+2" period are repayable on demand.

Margin and cash client payables as at 30 June 2025 and 31 December 2024 included balances payable to certain related parties. Further details of these balances are set out in note 20.

17. Contract Liabilities

Contract liabilities are amount received by the Group in relation to the advisory services that are expected to be recognised as revenue in the next 12 months.

Notes to the Condensed Consolidated Interim Financial Statements

18. Commitments

Capital commitments

The Group did not have any material capital commitments as at 30 June 2025 (31 December 2024: nil).

19. Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities (31 December 2024: nil).

20. Related Party Transactions

The Group has the following significant transactions with related parties.

- (a) During the reporting period of six months ended 30 June 2025, the Group did not record any securities dealing, money or other secured lending business transactions with related parties.
- (b) At the end of the reporting period, the Group did not have any balances due to the directors and persons connected with directors arising from securities dealing transactions included in trade payables (note 16).
- (c) **Compensation of senior management personnel**
The remuneration of directors and other members of senior management during the periods was as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Salaries, allowances and other benefits	2,451	2,217
Contributions to defined contribution retirement plan	44	43
	2,495	2,260

Notes to the Condensed Consolidated Interim Financial Statements

21. Share Capital Authorised and issued shares

	Par value HK\$	Number of ordinary shares	Amount HK\$'000
Authorised:			
At 1 January 2024, 31 December 2024 and 30 June 2025	0.020	25,000,000,000	500,000
Issued and fully paid:			
At 1 January 2024, 30 June 2024 & 31 December 2024	0.020	406,070,100	8,121
At 1 January 2025	0.020	406,070,100	8,121
Placing of shares (Note (1))	0.020	81,210,000	1,624
At 30 June 2025	0.020	487,280,100	9,745

Note:

- (1) On 13 January 2025, the Company successfully placed a total of 81,210,000 new issued shares, to not less than six placees at the price of HK\$0.176 per placing share. The Company raised approximately HK\$13.86 million after deduction of the placing commission and other related expenses. The net proceeds were fully used for general working capital of the Group.
- (2) During the six months ended 30 June 2025, the Company did not repurchase any shares of the Company (six months ended 30 June 2024, nil shares). After the placement of 81,210,000 new shares, the total number of issued ordinary shares of HK\$0.02 each of the Company has increased to 487,280,100 as of 30 June 2025 (30 June 2024: 406,070,100).

Management Discussion and Analysis

Business Review

The Group is principally engaged in providing bespoke services encompassing securities brokerage, securities-backed lending services including margin financing and money lending, other secured lending and placing and underwriting services. Since the Company's successful listing by way of placing (the **"Placing"**), there has been no significant change in the business operations of the Group.

During the period under review, we recognized commission income from our securities brokerage services, interest income from our securities-backed lending services, including margin financing and money lending, and other secured lending services as well as income from placing and underwriting services.

After slowing down in the last couple of years, the Hong Kong stock market saw a notable recovery for the first half of 2025. The benchmark Hang Seng Index marked an increase of approximately 20% or approximately 4,012 points from the close of 20,060 points on 30 December 2024 to close at 24,072 points on 30 June 2025. The average daily turnover for the first six months of 2025 was HK\$240.2 billion, an increase of 118 per cent when compared with HK\$110.4 billion for the same period last year. The rise was triggered by investors revaluing the comparatively undervalued companies in China and Hong Kong, especially the artificial intelligence (AI) and new technology companies after DeepSeek's low-cost AI model was launched to the public. Looking forward, the Hong Kong stock market is well positioned to be envisaged and monitored by the investors but will continue to be volatile and undergo fluctuations due to the political and geographic tensions associated with the trade war and tariff risks with the US, along with worries about the US fiscal deficit, US interest rate directions, and inflation threat. The Company will adopt a cautious strategy for focusing on and leveraging our service offerings and prudently exploring potential services for our existing and prospective clients.

Securities Brokerage Services

The first half of 2025 saw a satisfactory performance from our securities brokerage services. Commission income from our securities brokerage services for the six months ended 30 June 2025 was approximately HK\$580,000, representing approximately seven-folds increase from HK\$80,000 for the six months ended 30 June 2024. Despite the geopolitical tensions between the United States and China and the unprecedented tariffs imposed by US President Donald Trump, both mainland China and Hong Kong Stock Markets have shown remarkable resilience. In anticipation of the increase in daily turnover, the Hong Kong Stock Market has benefited from a notable increase in capital flowing to Hong Kong in pursuit of individual stocks or initial public offerings (IPOs) boasting the trading activities of the market. The Company is optimistic that this thrilling trend will continue benefiting our brokerage service and other services offerings in the second half of the year 2025.

Management Discussion and Analysis

Business Review (continued) Securities-backed Lending Services

Securities-backed lending services remained as our core revenue generator. During the six months ended 30 June 2025, interest income from securities-backed lending services fell to approximately HK\$7.3 million, representing a decrease of approximately HK\$2.8 million or approximately 28% from HK\$10.1 million recorded for the corresponding period in 2024. During the reporting period, our margin financing services experienced a decline while a slight uptake was reported for our money lending and other secured lending services.

(a) *Margin Financing Services*

Despite the Hong Kong stock market has been active in the first half of 2025, our margin finance services yielded unsatisfactory results. For the six months ended 30 June 2025, interest income from margin financing services decreased by approximately 51% to approximately HK\$3.2 million, compared to approximately HK\$6.5 million for the corresponding period in 2024. In order to reduce the risk of providing impairments for delinquent loans in recent years, the Board has chosen to offer margin loans to our margin clients cautiously throughout the reporting period. A reduced amount of margin loans was given during the period because the Company has carefully examined the collateral, trading history, and repayment records before offering margin loans to its margin clients. During the first six months of 2025, our average monthly loan book balance of margin financing was valued at approximately HK\$74 million, compared to approximately HK\$151 million for the corresponding period of 2024.

For the six months ended 30 June 2025, the Company did not provide any exclusion for the fee income for our margin financing services (30 June 2024, an exclusion of approximately HK\$5.4 million from the fee income from the margin financing services on having adopted the expected credit loss ("ECL") model on assessment of impairment).

(b) *Money Lending and Other Secured Lending Services*

During the six months ended 30 June 2025, the Group recognised revenue of approximately HK\$4.1 million from money lending services, representing an increase of approximately 17% compared to approximately HK\$3.5 million for the corresponding period in 2024. Our money lending services also include other secured lending services with secured charge or guarantees over different types of assets. As at 30 June 2025, the Group has lent out 8 loans (30 June 2024: 5 loans) with size ranging from HK\$3.0 million to HK\$16.5 million respectively. Each loan carries an interest rate that ranges from approximately 12% to 24% per year with a maximum borrowing period of 12 months.

Management Discussion and Analysis

Business Review (continued)

Placing and Underwriting Services

For fund-raising purposes, we typically provide our placing and underwriting services to listed companies, placing agents, and/or listed company investors on a best-effort basis. The Group has increased its placement activity for bonds since the second half of 2024. In anticipation of the growing demand in China's bond activity, the Company has acted as a placing agent and joint book runners in arranging the settlement and receiving fee income or agency fee in return. During the six months ended 30 June 2025, the Group engaged in 14 placing and underwriting activities, comparing to 2 placing and underwriting activities for the six months ended 30 June 2024. Revenue of approximately HK\$8.9 million was recognized for six months ended 30 June 2025 (30 June 2024: HK\$570,000). Revenues of approximately HK\$1.0 million were attributable to securities placements and approximately HK\$7.9 million were attributable to bond placing activities. Given the Hong Kong and China economies have shown signs of improvement and the central government has been implementing policies to support and promote the securities and bond markets, these contributing factors would boost investor confidence and market involvement. The Group is in a good position to capitalize on these trends and improve its overall financial performance.

Revenues of Placing and underwriting Services

HK\$'000	Six months ended 30 June 2025	Six months ended 30 June 2024
Fee income from Placing and underwriting of Securities	1,040	570
Agency fee income from Placing of Bonds	7,887	N.A.
Total income	8,927	570

Loss for the period

The Group recorded an unaudited net loss of approximately HK\$3.7 million for the six months ended 30 June 2025, as compared to an unaudited net loss of approximately HK\$0.8 million for the corresponding period in 2024. The main cause of such loss was a rise in other operating expenses, recording a sum of approximately HK\$16.1 million for the six months ended 30 June 2025 (30 June 2024: HK\$2.9 million). The increase in compliance, professional and agency fees and other expenses during that time period all contributed to the surge in other operating expenses. The Company has been exploring into other business opportunities and service offerings. Additional costs have been spent on different business aspects, implementation and operation into more complex regulatory environment. The Group is looking into operational efficiencies and cost-cutting measures to address the issues.

Management Discussion and Analysis

Outlook

In the first half of 2025, the Hong Kong stock market rebounded strongly, with the increase of Hang Seng Index for around 20% and a notable increase in average daily turnover. This recovery has brought renewed activity and optimism to the market. However, uncertainties remain, particularly in relation to ongoing geopolitical tensions, interest rate trends, and inflationary pressures. Despite these factors, Hong Kong's financial markets continue to benefit from a solid regulatory framework, extensive industry expertise, and supportive government policies.

The Group will continue to focus on strengthening its financial position by broadening its revenue base and expanding its client network. Key areas of business development are as follows:

Securities Brokerage Services

The Group recorded an increase in commission income from brokerage services during the reporting period, supported by higher market turnover. In discussions with potential clients, there was expressed interest from the clients in cooperating in virtual assets business with the Company. However, the Type 1 (Advising on Securities) license held by the subsidiary of the Company does not include virtual asset dealing services. To drive further growth, the Company is actively looking to establish the virtual asset business by applying for the virtual asset trading dealing service license conditions, so the subsidiary of the Company will be able to meet the demand of its clients to deal with virtual assets such as cryptocurrency. On 14 July 2025, the Board has engaged a corporate legal firm to assist on applying for the following license conditions (i) virtual asset dealing services; (ii) introducing clients to virtual asset trading platform operators; and (iii) providing virtual asset advisory services, the Company intends to submit the application by September 2025 and it is expected to be granted the abovementioned license conditions by the first quarter of 2026.

Securities-backed Lending Services

Securities-backed lending remains an important business segment for the Group. The Group expects the market environment to become more favourable throughout the rest of 2025 and into 2026. In view of these anticipated improvements, the Board considers it an appropriate time to undertake equity fundraising to further strengthen the Group's capital base. On 11 June 2025, the Company announced a proposed rights issue to raise gross proceeds of up to approximately HK\$60.7 million. If fully subscribed, the estimated net proceeds will be approximately HK\$57.6 million.

Management Discussion and Analysis

Outlook (continued)

Securities-backed Lending Services (continued)

Indeed, the Company intends to allocate around HK\$35.0 million to expand its margin financing services and approximately HK\$15.0 million to support its money lending business. In total, approximately HK\$50 million is earmarked for these two business areas. This capital injection will provide the Group with greater capacity to capture new business opportunities, meet a wider range of client financing needs, and enhance its competitive position in the industry. The Group will also continue to adopt prudent risk management practices and will assess opportunities to selectively increase lending and margin financing for eligible clients, taking into account market conditions and the Group's overall liquidity.

Placing and Underwriting Services

Revenue from placing and underwriting services showed substantial growth in the first half of 2025, driven mainly by increased activity in bond placements. The Group will continue to pursue new mandates as underwriter and placing agent for both equity and bond transactions, and is actively in discussions with listed companies and bond issuers. The Group expects this business line to remain an important contributor to revenue in the remainder of the year.

Asset Management and Family Office Services

The Group has made significant progress in expanding into the asset management business. In September 2024, Pinestone Capital Asset Management Limited was granted a Type 9 (Asset Management) license. With this license approval, the Group is now in a position to offer comprehensive range of asset management and wealth solutions to both individual and institutional clients, including securities, bonds, funds, and trust-related services. The Group will continue to develop and broaden its service offerings in response to client needs and market opportunities.

Efficiency and Cost Management

In light of increased compliance, professional, and agency costs, the Group is reviewing its operations to improve efficiency and manage expenditures. Efforts are being made to enhance productivity, streamline workflows, and control operating costs while continuing to invest in key areas for growth.

Management Discussion and Analysis

Outlook (continued)

Efficiency and Cost Management (continued)

Looking ahead, the Group will continue to broaden its business portfolio to support future growth. Alongside the expansion of its core businesses, the Group is actively pursuing entry into the distressed asset settlement market. Plans are in place to establish a distressed asset disposal auction platform in Asia, and the Group is evaluating and assessing additional opportunities in this sector to further diversify its income streams.

The Group will closely monitor market trends and adapt its strategies as needed. Through business diversification, a wider client base, and prudent risk and cost management, the Group remains confident in achieving stable, sustainable growth in the second half of 2025 and beyond.

Financial Review

Revenues

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Commission income from securities brokerage services	580	80
Income from placing and underwriting services	8,927	570
Handling fee	50	4
	9,557	654
Revenue from others sources		
– Interest income from margin financing services	3,213	6,518
– Interest income from money lending services	4,105	3,543
	16,875	10,715

The Group's revenue is mainly derived from (i) commission income from securities brokerage services, (ii) interest income from securities-backed lending services, other secured lending services and (iii) placing and underwriting services.

Management Discussion and Analysis

Financial Review (continued)

Revenues (continued)

Total revenue for the six months ended 30 June 2025 was approximately HK\$16.9 million (30 June 2024: HK\$10.7 million), representing an increase of approximately HK\$6.2 million or approximately 58% as compared to the same period in 2024.

Such an increase was mostly attributable to a notable increase in placing or agency fees from bonds and securities. During the period of six months ended 30 June 2025, placing or agency fees from bonds and securities recorded a remarkable surge of HK\$8.9 million for the six months ended 30 June 2025, representing an increase of more than 15 times from approximately HK\$570,000 for the six months ended 30 June 2024. Commission income from securities brokerage services increased to approximately HK\$580,000 for the six months ended 30 June 2025 (30 June 2024: HK\$80,000). Interest income from securities-backed lending services decreased by approximately 28% to approximately HK\$7.3 million for the six months ended 30 June 2025, as compared to approximately HK\$10.1 million for the six months ended 30 June 2024. During the reporting period of six months ended 30 June 2025, the Group did not make any exclusion of interests from our clients.

Employee Benefits Expenses

For the six months ended 30 June 2025, the Group recorded approximately HK\$3.9 million employee benefit expenses, an increase of approximately HK\$0.9 million or approximately 30% as compared to the corresponding period of 2024 (30 June 2024: HK\$3.0 million). Expenses for employee benefits include director compensation, defined retirement schemes, and employees' salaries, benefits and allowances. The hiring of additional staff was the primary factor contributing to the rise in employee benefits costs during the 2025 reporting period. The Group employed 21 employees as of June 30, 2025 (30 June 2024: 18 employees).

Management Discussion and Analysis

Financial Review (continued)

Other Operating Expenses

At approximately HK\$16.1 million, other operating expenses represented approximately 80% of the total expenses during the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$2.9 million accounted for approximately 40%). Total operating expenses for the six months ended 30 June 2025 was approximately HK\$20.0 million, compared to approximately HK\$11.6 million for the six months ended 30 June 2024 (*total expenses which included only employee benefit expenses and other operating expenses*). The substantial increase in total operating expenses was attributable to agency or professional fees, legal and compliance and administrative expenses during the six months ended 30 June 2025.

Income Tax Expense

No Income tax expense is provided for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(Loss) for the period

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
(Loss) for the period	(3,684)	(806)
Reconciled (Loss) for the period	(3,684)	(806)

Management Discussion and Analysis

Financial Review (continued) (Loss) for the period (continued)

The Group recorded an unaudited net loss of approximately HK\$3.7 million for the six months ended 30 June 2025, as compared to an unaudited net loss of approximately HK\$0.8 million for the corresponding period in 2024. The primary cause of the increase in net loss was the rise in compliance, professional, and agency fees, as well as other expenses, which together led to higher other operating expenses of HK\$16.1 million for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$2.9 million).

Fundraising Activity and Use of Proceeds for the six months ended 30 June 2025

Placing of Shares

On 18 December 2024, the Company entered into a Placing Agreement for Placing of a maximum of 81,210,000 new shares to not less than six independent placees under the general mandate at a placing price of HK\$0.176 each. The Placing Price of HK\$0.176 per Placing Share represented: (i) a discount of approximately 19.63% to the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.93% to the average closing price of approximately HK\$0.2198 per Share for the last five trading days of the Shares immediately prior to the date of the Placing Agreement. The gross and net proceeds of the placing were approximately HK\$14.29 million and HK\$13.86 million respectively.

The placement was completed on 13 January 2025. The funds raised were already utilized in full for the Group's general working capital as originally planned.

Set out below is the intended use and expected timeline for the use of the proceeds.

Intended use of Net Proceeds	Net Proceeds Amount	Original Expected timeline on fully utilization of the Net Proceeds By 3Q 2025	Actual use of Net Proceeds for the six months ended 30 June 2025	Unutilized use of Net Proceeds as at 30 June 2025
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
General working capital	13,860	13,860	13,860	Nil
Total	13,860	13,860	13,860	Nil

Management Discussion and Analysis

Liquidity and Financial Resources and Capital Structure

The Group financed its operations mostly by cash generated from operations.

Liquidity and Financial Resources

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Current assets	135,351	135,471
Current liabilities	6,065	16,500
Current ratio (<i>times</i>) (<i>Note i</i>)	22.32	8.21

Notes:

- (i) Current ratio is calculated as current assets divided by current liabilities.

The Group recorded a current ratio of approximately 22.32 times as at 30 June 2025 (31 December 2024: 8.21 times).

As of 30 June 2025, the Group maintained healthy cash and bank balances amounted to approximately HK\$16.9 million (31 December 2024: HK\$15.9 million).

During the period under review, the Group's operations, capital expenditure and other capital requirements were funded by internal operation, proceeds from placing of shares and general working capital.

The Directors are of the view that as of the date of this report, the Group's financial resources are sufficient to support and sustain its business and operations. Notwithstanding this, the Group may consider other financing activities when appropriate opportunities arise.

Management Discussion and Analysis

Foreign Currency Exposure

The Group's reporting currency is Hong Kong dollar. During the six months ended 30 June 2025, the Group's transactions were denominated in Hong Kong dollars ("HK\$"). The Group had no material exposure to foreign currency risk.

Contingent Liabilities

As at 30 June 2025 and 31 December 2024, the Group did not have any material contingent liabilities.

Events after the Reporting Period

Proposed Share Consolidation and 2-for-3 Rights Issue

1. *Proposed Share Consolidation*

On 10 June 2025, the Company proposed to implement the Share Consolidation on the basis that every twenty (20) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. The authorised share capital of the Company is HK\$500,000,000 divided into 25,000,000,000 Existing Shares of HK\$0.02 each, of which 487,280,100 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective but before the completion of the Rights Issue and assuming no change in the number of Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$500,000,000 divided into 1,250,000,000 Consolidated Shares of HK\$0.40 each, of which 24,364,005 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Management Discussion and Analysis

Events after the Reporting Period (continued)

Proposed Share Consolidation and 2-for-3 Rights Issue (continued)

2. *Proposed 2 Consolidated Shares for 3 Rights Shares*

Subject to the approval of the above Share Consolidation, the Company proposed to raise gross proceeds of approximately HK\$60.7 million by issuing up to 36,546,008 Rights Shares. The Subscription Price is set at HK\$1.66 per Rights Share, with the allocation being three (3) Rights Shares for every two (2) Consolidated Shares.

Assuming that the Rights Issue is fully accepted and no new shares will be allotted or issued on, the net proceeds of the Rights Issue (the “**Net Proceeds**”) after deducting all estimated expenses payable for the Rights Issue, are estimated to be up to approximately HK\$57.6 million.

The Company intends to apply or use the Net Proceeds as follows:

- (i) approximately 9.2% of the Net Proceeds, or approximately HK\$5.3 million, will be allocated for potentially acquiring a company and dealing with virtual permits under the SFO, or for possibly applying for license conditions to manage virtual assets;
- (ii) approximately 60.8% of the Net Proceeds, or approximately HK\$35.0 million, will be allocated to the Group’s margin financing business;
- (iii) approximately 26.0% of the Net Proceeds, or approximately HK\$15.0 million, will be allocated to finance the Group’s money lending business; and
- (iv) approximately 4.0% of the Net Proceeds, or approximately HK\$2.3 million, will be allocated to enhance the Group’s general working capital, including but not limited to directors’ fees and salary, head office rental and management fees and other payables.

Reference is made to the announcements of the Company dated 10 June 2025; 20 June 2025, 23 June 2025 and 25 July 2025.

Management Discussion and Analysis

Significant Investments

The Group did not acquire or hold any significant investment during the period under review.

Pledge of Assets

As at 30 June 2025 and 31 December 2024, the Group did not pledge any of its assets.

Capital Commitments

As at 30 June 2025 and 31 December 2024, the Group did not have any significant capital commitments.

Other Information

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2025, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company and the Stock Exchange pursuant to the Model Code for securities transactions by Directors of listed issuers.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the sections headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above and "Share Option Scheme" below, at no time during the period for the six months ended 30 June 2025 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 30 June 2025, substantial shareholders (not being the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Other Information

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company (continued)

Long positions in the ordinary shares of the Company:

Name of shareholders	Capacity and nature of interest	Note	Total number	Approximate percentage of the total issued share capital of the Company (%)
Ultimate Vantage Group Limited	Directly beneficially owned	1	96,836,250	19.87
Mr. Zeng Wenling	Interest of controlled Corporation	1	96,836,250	19.87

Note:

1. Ultimate Vantage Group Limited is 100% owned by Mr. Zeng Wenling, who is the sole beneficial owner of 96,836,250 shares out of the total 487,280,100 issued shares in the Company. Ultimate Vantage Group Limited changed its beneficial owner to Mr. Zeng Wenling on 25 April 2025. Mr. Zeng Wenling is deemed to own approximately 19.87% of the issued shares of the Company.

Save as disclosed above, the Directors and chief executives of the Company are not aware that there is any party who, as at 30 June 2025, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Purchase, Sale or Redemption of the Listed Shares of the Company

During the period of six months ended 30 June 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares (six months ended 30 June 2024: nil shares).

Other Information

Employees and Remuneration Policy

As at 30 June 2025, the Group had 21 employees (30 June 2024: 18) in total. The Group's remuneration policy is based on the relevant director or member of senior management's duties, responsibilities, experiences, skills, time commitment, performance of our Group and are made with reference to those paid by comparable companies. Our employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, our Group's profit as a whole and comparable market levels. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage, other allowances and benefits.

Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to (i) motivate the Eligible Participants (including employees, executives, officers and directors of the Group, and any advisors, consultants, agents, customers, and such other persons who, in the sole opinion of the board of directors, will contribute or have contributed to the Group) for the benefit of the Group; and (ii) attract and retain or otherwise, maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. The Existing Share Option Scheme had a term of 10 years from its adoption date and was expired on 12 June 2025. Since the expiration of the Existing Share Option Scheme, no further share option schemes have been offered. As of the date of this interim report, no share options have been granted and there are no share options that remain outstanding under the Existing Share Option Scheme.

Corporate Governance

The Company has complied with Chapter 13 of the Listing Rules, rules 13.13 to rule 13.16, neither has made any advances to affiliated parties nor to linked entities. In addition, pursuant to the Listing Rule 13.17, our major shareholder has not pledged any of the shares of the Company during the financial period under review.

During the year under review, the Company has complied with the code provisions prescribed in the establishment and implementation of the Corporate Governance Code ("**CG Code**"), set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), to ensure that the decision making processes and business operations are regulated in a proper manner. The Company will continuously review its corporate governance practices to enhance its corporate governance standards, comply with the increasingly complicated regulatory requirements, and meet with the rising expectations of the shareholders and prospective investors.

Other Information

Directors' Securities Transactions

The Company has adopted in a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix 10 of the Listing Rules (the "**Required Standard of Dealings**").

Each Director has acknowledged that they complied with the Required Standard of Dealings throughout the reporting period and up to the date of this report. During such period, there have been no incidents of non-compliance that have been reported to the Company.

Competing Interests

As at 30 June 2025, none of the Directors, substantial Shareholders and their respective associates (as defined in the Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Audit Committee

The Audit Committee has been established with written terms of reference in compliance with 3.21 of the Listing Rules and code provision D.3 of the Corporate Governance Code. The Audit Committee currently comprises a total of three members, all of whom are independent non-executive Directors. Mr. Cheng Man Pan is a fellow member of the Association of Chartered Certified Accountants. The other members are Mr. Lau Kelly and Mr. Wong Chun Peng Stewart respectively. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the internal control systems of the Group and the monitoring of continuing connected transactions. Pursuant to D.3.3 of the Code on Corporate Governance Practices, the Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025 and confirmed that the preparation of such complied with applicable accounting standards and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.

Other Information

Board of Directors

As of the date of this report, the directors of the Company are:

Executive Directors:

Mr. Lee Chun Tung (*Chairman*)

Mr. Wang Han (CEO) (appointed on 2 June 2025)

Miss Cheung Ka Yi (appointed on 2 June 2025)

Non-executive Director:

Mr. Lau Chun Hung

Independent Non-executive Directors:

Mr. Lau Kelly

Mr. Wong Chun Peng Stewart

Mr. Cheng Man Pan

By Order of the Board of
PINESTONE CAPITAL LIMITED
Lee Chun Tung
Executive Director

Hong Kong, 28 August 2025

