



# 信達國際控股有限公司

CINDA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 111

## ANNUAL REPORT 2025





The FSC® logo identifies product group from responsible sources in accordance with the rules of the Forest Stewardship Council®.

# Contents

2	Glossary
4	Corporate Information
5	Management Discussion and Analysis
12	Biographical Details of Directors and Senior Management
15	Corporate Governance Report
28	Report of the Directors
39	Independent Auditor's Report
45	Consolidated Statement of Profit or Loss
46	Consolidated Statement of Comprehensive Income
47	Consolidated Statement of Financial Position
49	Consolidated Statement of Changes in Equity
50	Consolidated Statement of Cash Flows
51	Notes to the Consolidated Financial Statements
142	Five Year Financial Summary

# Glossary

In this report, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Suites 5801-04&08, 58/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 15 May 2026 (Friday) at 11:00 a.m. or any adjournment or postponement thereof
“Audit Committee”	the audit committee of the Company
“BDO”	BDO Limited
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company (as may be amended from time to time)
“Central Huijin”	Central Huijin Investment Ltd., a company incorporated in the PRC with limited liability and a wholly state-owned company ultimately owned by the State Council of the PRC, holds approximately 58% of the total issued shares of China Cinda
“CG Code”	the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
“CG Report”	the Corporate Governance Report of the Company dated 31 December 2025
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this report, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“China Cinda”	China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1359)
“China Cinda Group”	China Cinda and/or its associates
“Cinda Securities”	Cinda Securities Co., Ltd., a company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601059), a 78.67% non wholly-owned subsidiary of China Cinda and an indirect controlling shareholder of the Company
“Cinda Securities (H.K.)”	Cinda Securities (H.K.) Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Cinda Securities and a direct controlling shareholder of the Company
“Company”	Cinda International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 111)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“ED(s)”	the executive Director(s) of the Company

# Glossary

“ESG Report”	the Environmental, Social and Governance Report of the Company for the year ended 31 December 2025, which was published in a separate report, available on the Stock Exchange’s website at <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a> and the Company’s website at <a href="http://www.cinda.com.hk">http://www.cinda.com.hk</a>
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“INED(s)”	the independent non-executive Director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“NED(s)”	the non-executive Director(s) of the Company
“Nomination Committee”	the nomination committee of the Company
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

# Corporate Information

<b>Registered office</b>	Clarendon House 2 Church Street Hamilton, HM 11 Bermuda
<b>Head office and principal place of business</b>	Suites 5801-04&08, 58/F, Central Plaza 18 Harbour Road, Wanchai Hong Kong
<b>Directors</b>	<i>EDs</i> Zhan Jiang Ren Jie Yan Qizhong  <i>INEDs</i> Hu Lielei Zhao Guangming Li Ying
<b>Authorised representatives</b>	Zhan Jiang Li Hiu Ling
<b>Company secretary</b>	Li Hiu Ling
<b>Bermuda principal share registrar and transfer agent</b>	Appleby Global Corporate Services (Bermuda) Limited Canon's Court, 22 Victoria Street PO Box HM 1179, Hamilton HM EX Bermuda
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
<b>Auditor</b>	BDO Limited <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
<b>Website</b>	<a href="http://www.cinda.com.hk">http://www.cinda.com.hk</a>

# Management Discussion and Analysis

## MARKET CONDITIONS

2025 marked a year full of uncertainties in international politics and economy. In terms of politics, the conflict between Israel and Iran, coupled with ongoing unrest within Iran, intensified the Middle-East situation during the year. The United States' (the "U.S.") cross-border arrest of the president of another country drew certain international condemnation, while the Russia-Ukraine conflict showed no sign of compromise, contributed to increasingly tense global geopolitics. Moreover, the divergence between the U.S. and other European countries over Greenland has altered relations between European countries and the U.S.. Despite such background, the U.S. economy witnessed a continued growth, with GDP expanding at a quarterly growth rate of 4.3% in the third quarter of 2025, marking an acceleration from 3.8% growth recorded in the second quarter and the best performance in two years. Inflation in the U.S. remained resilient. The core personal consumption expenditure index (the "PCE") in September 2025 showed a year-on-year increase of 2.8%. The inflation continued to keep at a level above the long-term target of 2% set by the Federal Reserve of the U.S. (the "Fed"). The U.S. job market weakened, with non-farm employment increasing by 64,000 in November 2025. The unemployment rate rose to 4.6%, representing the highest level since September 2021. Average hourly wage growth slowed down to 3.5% year-on-year, representing the lowest since May 2021.

In December 2025, the Fed cut rates by 25 basis points, lowering the target range for the federal funds rate to 3.50% to 3.75%. The Fed cut rates three times in 2025. At the same time, it also announced Reserve Management Purchases to buy US\$40 billion of short-term government bonds per month from 12 December 2025, with expectations of maintaining relatively high purchase volumes in the coming months. The Fed updated its economic outlook in December, projecting the gross domestic product (the "GDP") growth rate of 1.7% and 2.3% in 2025 and 2026, respectively. The U.S. dollar index rose by 0.6% in the fourth quarter and dropped by 9.4% for the whole year. Continued capital inflows into artificial intelligence (AI)-related stocks drove significant gains in U.S. stocks, with all three major indices reaching record highs during the year, resulting in annual gains ranging from 13.0% to 20.4%.

In Europe, the core consumer price index (the "CPI") in the eurozone slowed to 2.4% in November from 2.7% in January 2025. The European Central Bank announced in December that it would keep interest rates unchanged, in line with expectations, and cut rates four times in 2025. The European Central Bank anticipated more robust economic expansion. In December, the GDP growth forecast for 2025 to 2027 had been revised up by 0.2, 0.2 and 0.1 percentage points to grow at 1.4%, 1.2% and 1.4% respectively. In the United Kingdom, the Bank of England announced to cut interest rates by 25 basis points in December 2025. The great British pound against the U.S. dollar rose slightly by 0.2% in the fourth quarter, and by 7.7% for the whole year. The European stock market delivered gains, with the pan-European Stoxx 600 index rising by 16.7%, German stocks rising by 23.0%, French stocks rising by 10.4%, and British stocks rising by 21.5% for the whole year.

In China, despite the shadow of the China-U.S. tariff war, China's GDP grew by 4.5% in the fourth quarter of 2025 and 5.0% year-on-year, meeting the government's target of "around 5%". For the full year, the total value added of industrial enterprises above the designated size increased by 5.9% year-on-year; the total retail sales of consumer goods increased by 3.7% year-on-year; and the fixed asset investment dropped by 3.8% year-on-year. The U.S.'s continued rate cuts in December gave more room for China's monetary policy easing. The yield on China's 10-year government bonds closed at 1.8550% in the fourth quarter, edging down 2 basis points quarter-on-quarter but rising 18 basis points for the whole year. As of the end of December 2025, the interest rate spread between China and the U.S. inverted by 231 basis points. The onshore RMB ("CNY") and offshore RMB ("CNH") against the U.S. dollar rose by 1.9% and 2.2% respectively in the fourth quarter, and rose by 4.4% and 5.2% respectively for the whole year. As of the end of December 2025, the Shanghai Stock Exchange Composite Index closed at 3,968 points, representing an increase of 18.4% for the whole year.

# Management Discussion and Analysis

In Hong Kong, the economy had been driven by sustained expansion in domestic demand and continued robust export growth, leading to strong economic performance. The real GDP grew by 3.8% year-on-year in the fourth quarter of 2025, exceeding the 3.7% increase recorded in the third quarter. After seasonal adjustment, the real GDP grew further by 1.0% quarter-on-quarter in the fourth quarter. For the full year, the real GDP increased by 3.5%. Consumption showed signs of recovery, with private consumption expenditure recorded an increase of 2.7% year-on-year in the fourth quarter, compared to an increase of 2.4% in the third quarter. With respect to exports, robust demand for electronics-related products and robust trade within Asia region drove overall goods exports to rise by 15.5% year-on-year in the fourth quarter, accelerating from the 12.0% growth recorded in the third quarter. In the labour market, the seasonally adjusted unemployment rate for October to December 2025 remained at 3.8%, unchanged from the previous three-month period. The underemployment rate edged up by 0.1% to 1.7%. Over the same period, the labour force and total employment declined slightly, while the number of unemployed persons decreased further.

In terms of the stock market, the Hong Kong stock market fluctuated upwards. Affected by AI sentiment and consumption stimulus policies in the Mainland at the beginning of the year, the Hang Seng Index climbed from around 20,000 points. In April, the Hang Seng Index underwent a significant adjustment due to U.S. tariffs. Subsequently, the Hong Kong stock market regained its momentum due to easing Sino-U.S. trade war, coupled with U.S. interest rate cuts driving capital inflows into Asian stock markets, as well as expectations of AI to enhance corporate operational efficiency. The Hang Seng Index surged by over 7,300 points at its peak, reaching 27,381 points in October before fluctuating from its high. As of the end of December 2025, the Hang Seng Index closed at 25,630 points, up 27.8% for the whole year. The Hang Seng China Enterprises Index closed at 8,913 points, up 22.3% for the whole year. The Hang Seng TECH Index closed at 5,515 points, up 23.5% for the whole year. The Hong Kong stock market saw active trading activities in 2025, with an average daily turnover of HK\$249.8 billion, representing a year-on-year increase of 90%. The southbound capital inflowed continuously, with a net inflow of HK\$1,404.8 billion in 2025, representing a year-on-year increase of 74%.

In the Hong Kong's initial public offering ("IPO") market, enterprises in China accelerated their listings in Hong Kong, resulting in active IPO fundraising activities. The Hong Kong IPO market remained robust throughout 2025, with a total of 119 companies listing in Hong Kong during the year, representing a year-on-year increase of 68%. Total capital raised amounted to HK\$285.8 billion, representing a year-on-year increase of 225%. Hong Kong reclaimed the top global position in terms of IPO funds raised.

In the Chinese-funded offshore bond market, the total issuance volume of the Chinese-funded offshore bond for 2025 reached approximately US\$276.6 billion, representing a year-on-year increase of over 21%. Markit iBoxx Asian Chinese U.S. Dollar Bond Index rose by 6.8% for the whole year. The Markit iBoxx Asian Chinese U.S. Dollar High-yield Bond Index rose by 6.7% for the whole year.

# Management Discussion and Analysis

## OVERALL PERFORMANCE

In 2025, the Group adhered to the previous operation strategy and served as the fully licensed securities institutions established outside China within the system of China Cinda. As the hub connecting to international capital markets and overseas asset management centre of the China Cinda Group ecosphere, the Group provides cross-border investment banking services around the world with China concept as its focus. During the year, the Group developed four core business segments (i.e. asset management, corporate finance, sales and trading business, and fixed income investment). The year-on-year decrease in revenue of the asset management business was mainly attributable to the decrease in the scale of management by 12%; as for the corporate finance, there was a year-on-year decrease in the debt underwriting business, resulting in a year-on-year decrease in revenue; revenue from sales and trading business remained flat compared to last year; revenue from fixed income investment increased year-on-year, mainly due to a 110% increase in the average size of bond investment year-on-year; and the share of results of associates and joint ventures decreased by 18% year-on-year; due to the recovery of margin loans classified as a bad debt in the second half of the year, an impairment loss on financial assets of HK\$16.05 million was reversed. Accordingly, as for the overall profit, the Group recorded a profit after tax of HK\$80.43 million, representing an increase of 678% year-on-year as compared with the profit after tax of HK\$10.34 million last year.

The total revenue in 2025 amounted to HK\$227.89 million (2024: HK\$171.90 million), representing a year-on-year increase of 33%, among which, the turnover was HK\$203.45 million (2024: HK\$191.89 million), representing a year-on-year increase of 6%. Other income amounted to HK\$50,000 (2024: HK\$5.95 million), representing a year-on-year decrease of 99%. Other net profit amounted to HK\$24.40 million (2024: net loss of HK\$25.93 million), representing a year-on-year increase of 194%, mainly due to the increase in unrealised exchange gains during the year. As for expenses, the Group endeavored to control cost, cutting staff costs by 3% year-on-year. Operating expenses (excluding commission expenses, finance costs and impairment provision) amounted to HK\$62.41 million (2024: HK\$50.80 million), representing a year-on-year increase of 23%, mainly due to the cost of one-time reinstatement for the original office, while finance costs increased by 30% year-on-year, mainly due to a 55% year-on-year increase in average borrowing amounts.

The Group recorded a share of profits from associates and joint ventures for the year ended 31 December 2025 amounting to HK\$16.95 million (2024: HK\$20.70 million), representing a year-on-year decrease of 18%, mainly due to the year-on-year decrease in the results of an associate engaging in fund management. As a result, the Group's profit before tax for the year amounted to HK\$83.42 million (2024: HK\$31.02 million), and the profit after tax attributable to equity holders amounted to HK\$80.43 million (2024: HK\$10.34 million).

## ASSET MANAGEMENT

In 2025, the asset management segment of the Group continued to operate under the light-asset strategy. As the overseas asset management arm of China Cinda ecosphere connected with the international capital markets, the Group proactively developed its business revolving around the main business of China Cinda Group, concentrated its efforts on the development of troubled asset business, and actively explored cross-border non-performing assets innovative business by strengthening marketised asset management business operations. During the year, this segment continued to explore and develop the withdrawal of special asset management projects and some domestic troubled asset funds. During the year, a public bond fund was successfully launched, and given the expiration of the service periods of partial existing asset management projects, the scale of asset management decreased by 12% year-on-year to HK\$45.51 billion. During the year, the fund management fee income was HK\$28.10 million, representing a year-on-year decrease of 33%, mainly due to the completion of three projects that generated advisory fees of HK\$9.00 million last year, while no such revenue was recognised for the year. As a result, the operating revenue of this segment for the year was HK\$41.32 million (2024: HK\$57.05 million), representing a year-on-year decrease of 28%. Profit of this segment for the year decreased by 49% to HK\$10.88 million (2024: HK\$21.43 million).

# Management Discussion and Analysis

The Group cooperated with associates and joint ventures actively to expand diversified businesses. The results of an associate engaging in fund management recorded a year-on-year decline. As a result, the Group's share of profits from associates and joint ventures for the year amounted to HK\$16.95 million (2024: HK\$20.70 million).

## CORPORATE FINANCE

The corporate finance business continued to serve clients with equity and debt issuance. During the year, the equity issuance business of this segment did not benefit from the significant improvement in Hong Kong IPO market conditions with only two IPO sponsor projects added to its reserve during the year, and only several financial advisory and compliance advisory projects were completed. With respect to the debt issuance business, as the surge in the Chinese-funded offshore bond market subsided during the year, this segment completed several new overseas issuance projects during the year, and recorded underwriting fee income of HK\$16.23 million, representing a year-on-year decrease of 62%. As a result, the operating revenue of this segment for the year was HK\$21.92 million, representing a decrease of 54% from HK\$48.12 million for the same period of last year, and the profits recorded by this segment for the year amounted to HK\$4.27 million (2024: HK\$26.45 million).

## SALES AND TRADING BUSINESS

In 2025, the trading volume in Hong Kong's securities market increased. As of 31 December 2025, the Hang Seng Index closed at 25,630 points, a cumulative rise of 27.8% for the whole year. The Hong Kong stock market saw active trading with the average daily turnover of HK\$249.8 billion in 2025, representing a year-on-year increase of 90%; the operating revenue of this segment remained flat year-on-year at HK\$47.23 million, of which the Group recorded a commission income of HK\$32.19 million (2024: HK\$23.21 million) and interest from securities financing and other interest income of HK\$15.04 million (2024: HK\$24.76 million), which was mainly due to a year-on-year decrease in the average balance of margin financing business. This segment reversed an impairment provision for a securities financing loan during the year, turning this segment from a loss to a profit of HK\$8.44 million for the year (2024: loss of HK\$20.89 million).

## FIXED INCOME INVESTMENT

The fixed income investment business mainly focuses on complementing the bond underwriting business and investing in Chinese-funded offshore bonds, with hold-to-maturity as the key investment strategy. During the year, this segment seized investment opportunities in Chinese-funded offshore bonds, and under strict risk control, the average bond position for the year was US\$131.28 million, representing a year-on-year increase of 110%. As a result, the revenue of this segment for the year was HK\$92.56 million, representing an increase of 139% from HK\$38.74 million for last year, and this segment recorded a profit of HK\$68.02 million for the year (2024: HK\$16.57 million).

# Management Discussion and Analysis

## LOOKING FORWARD

Looking ahead to 2026, the U.S. midterm elections and the interest rate trends following the change of the Fed's chairman will influence global financial markets. The U.S. midterm elections are expected to be held in November. If the Republican Party loses power or a split government may emerge, the implementation of policies such as tax reform, infrastructure development and technology regulation could be affected. As expected, the Fed cut interest rates by 0.25% in December 2025, lowering the target range for the federal funds rate to 3.50% to 3.75%. The December 2025 dot plot shows that officials of the Fed expect one rate-cut in 2026, with a median interest rate forecast of 3.4% by the end of 2026. However, the data is scattered, with the interest rate forecast ranging from 2.125% to 3.875% by the end of 2026, indicating a serious disagreement among authorities regarding the future trend of interest rates.

In China, despite the pressure of the Sino-U.S. trade war, its exports still demonstrated resilience in 2025. However, weak domestic demand led to a slowdown in consumption and investment in the second half of the year compared to the beginning of the year, resulting in a slowdown in overall economic growth momentum. Looking ahead to 2026, China's economic recovery will continue to face challenges and is expected to rely on fiscal and monetary policies to support steady growth of the economy. As 2026 marks the start of the 15th Five-Year Plan, policies will tend to be more proactive, focusing on expanding domestic demand, combating involution and promoting technological self-reliance, while continuing a more proactive fiscal policy and a moderately loose monetary policy. If China introduces policies beyond expectation, it will boost market confidence, drive capital inflows and stimulate robust trading in A-shares and Hong Kong stocks.

In Hong Kong, driven by continued strong exports and sustained expansion of local demand, Hong Kong's real GDP grew by 3.8% year-on-year in the fourth quarter of 2025, a significant acceleration from the 3.7% growth rate in the third quarter. After seasonal adjustment and comparing on a quarterly basis, the real GDP in the fourth quarter further rose by 1%. Considering the actual growth of 3.3% in the first three quarters and the short-term outlook, the Hong Kong government had revised upward its full-year real GDP growth forecast for 2025 to 3.2% from the range of 2% to 3% reviewed in August. Looking ahead to 2026, Hong Kong's property market is expected to improve and consumption will stabilize, benefiting from continued interest rate cuts in the U.S.. However, the export-driven effect is slowing down, and the Sino-U.S. rivalry may intensify again, posing challenges to foreign trade performance. Hong Kong's economy is expected to slow down. According to the comprehensive forecast from Bloomberg, the market expects that Hong Kong will record an economic growth of 2.5% in 2026, slower than that of 2025.

The downside risks faced by the Hong Kong stock market in 2026 include escalating geopolitical risks, the Sino-U.S. rivalry, less room for U.S. interest rate cuts than expected, and AI valuation adjustments. In terms of the economy, the central government proposed in the 15th Five-Year Planning to support Hong Kong and Macao in better integrating into and serving the overall development of our country, consolidate and enhance Hong Kong's status as an international financial, shipping and trade center, and support Hong Kong in building an international innovation and technology center. With more frequent interconnections between Hong Kong and the Mainland, and driven by the deepening integration of the "Guangdong-Hong Kong-Macao Greater Bay Area", Hong Kong will continue to serve as a bridgehead for foreign investment into the Mainland, which will benefit Hong Kong's CNH business in the long run. Meanwhile, the stock and bond markets in China and Hong Kong continue to deepen their integration, steadily promoting the opening up of China's financial market, which in turn will strengthen Hong Kong's position as an international financial center.

# Management Discussion and Analysis

In respect of asset management, the continuous expansion of market-oriented asset management business is the direction for the future transformation and development of the Group. At the same time, we will explore high-quality customer resources outside the system, especially strengthening our cooperation and linkage with central enterprises, state-owned enterprises and other financial enterprises. Starting from asset management, financing and investment businesses, we will explore more opportunities in asset management or other related corporate businesses. In respect of the sales and trading business, we will strive to increase our business volume and market share, expand domestic and overseas institutional, corporate and high-net-worth clients in a prudent and risk-averse manner; the Group's securities company will develop towards the direction of wealth management, diversify our products, focus on the development of "Guangdong-Hong Kong-Macao Greater Bay Area", and proactively accelerate the implementation of the southbound business of Cross-boundary Wealth Management Connect so as to meet the clients' need in asset allocation. As for the corporate finance business, we will maintain the parallel development of equity and debt businesses. For the equity-related business, we will proactively provide sponsor and underwriting services and expand the merger and acquisition business by leveraging the resources of the Group. As for the debt-related business, the Group will continuously grasp the underwriting and investment opportunities of Chinese-funded offshore bonds, identify the needs of different types of clients for bond issuance and tailor solutions for our clients, promote the model featuring the "balanced approach of equity and debt businesses and simultaneous development of investment and financing" to facilitating Chinese enterprises' "going global". The fixed income investment business will continually serve as a supplement to the debt-related corporate finance business and seize the opportunities in the investment of overseas bonds. In addition, the Group believes that the local market sentiment will remain positive in 2026. The Group will strengthen the synergy and expand its market-oriented businesses through various initiatives by virtue of the solid foundations the Group has established. With the sound financial position of the Group, the Group is expected to capitalise on various market opportunities and optimise asset allocation in 2026 to strengthen the full-year results of the Group and enhance long-term returns to the Shareholders.

As disclosed in the announcement of the Company dated 17 December 2025 in relation to the proposed mergers by way of absorption and share exchanges by China International Capital Corporation Limited (stock code: 3908.HK and 601995.SH) merging with Cinda Securities, the indirect controlling shareholder of the Company, and Dongxing Securities Co., Ltd. (stock code: 601198.SH). The Company believes that the proposed mergers will help the Group continue to promote the development of its respective business segments.

## FINANCIAL RESOURCES

The Group maintained sound financial strength during the year, and all subsidiaries licensed by the SFC had liquid capital in excess of regulatory requirements. As of 31 December 2025, the Group had revolving loans and overdrafts facilities of HK\$2.07 billion from banks, of which a total of HK\$1.07 billion were utilised. In addition, the Group did not issue any bonds during the year.

## FLUCTUATION IN FOREIGN EXCHANGE RATES

A majority of assets and liabilities of the Group are denominated in Hong Kong dollars and U.S. dollars to which Hong Kong dollars is pegged with. During the year, the exchange rate of the RMB against the U.S. dollars rose due to factors such as China's economic growth, import and export data and China's domestic economic protection measures. The Group believes that the trend of the exchange rate of RMB remains positive and, therefore, did not hedge against the fluctuations in the exchange rate of RMB.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year, the Company's interests in CPI Absolute Return Fund had been fully redeemed, and it was ceased to be recorded as an associate of the Company upon completion of the redemptions, details of which are set out in Note 18 to the consolidated financial statements.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year.

# Management Discussion and Analysis

## REMUNERATION AND HUMAN RESOURCES

As at 31 December 2025, the Group had a total number of 78 full-time employees, of which 39 were male and 39 were female. The total staff costs of the Group for the year ended 31 December 2025 are set out in Note 6 to the consolidated financial statements.

The Group has always valued the nurturing of capable personnel and has taken various measures to recruit and retain personnel of high calibre, which ensures sufficient support for steady operations amidst business development. The Company established objective performance indicators as part of employees' performance appraisal. To encourage employees to deliver better performance and strengthen risk management and control, the Group sets annual performance and work targets for each business department and middle and back-end supporting departments at the beginning of each year, and regular staff assessments are carried out so as to provide a basis for bonuses. Besides, the Group also gives due weight to staff training and provides the employees with educational allowances and leave, such as leave for professional examinations. The Group also organised professional training courses and lectures for the staff and account executives from time to time in furtherance of their comprehension of the updated knowledge pertinent to their work, certain of which were conducted through electronic video means. The Group has established a staff remuneration committee comprising the top management, which consists of two EDs and a senior executive (being the head of human resources & administration department), to conduct regular reviews over the remuneration policy of the Group and determine the remuneration package of each staff member, thereby ensuring that such pay and benefits are market-based.

# Biographical Details of Directors and Senior Management

## ED(s)

**Mr. Zhan Jiang**, aged 54, was appointed as the chairman of the Board, an ED and the chairman of the Nomination Committee since 15 October 2025, and subsequently further appointed as the chief executive officer of the Company (the “Chief Executive Officer”) on 13 March 2026, being a director of certain subsidiaries of the Company. He is currently the deputy general manager of Cinda Securities and the executive director and general manager of Xin Feng Investment Management Co., Limited\*, a wholly-owned subsidiary of Cinda Securities.

Mr. Zhan graduated from Renmin University of China with a Bachelor’s degree in Engineering in July 1994, and received a Master’s degree in Economics from Shanghai University of Finance and Economics in January 2000. He has extensive practical experience in the securities industry. He had successively worked for China Construction Bank Trust and Investment Corporation\* and Hongyuan Securities Co., Ltd.\*. He joined Cinda Securities since 2007 and successively served as the general manager of the securities business department of Cinda Securities, the general manager of the Shanghai branch, the securities representative of Cinda Securities and the business director of Cinda Securities.

**Mr. Ren Jie**, aged 41, was appointed as the deputy chief executive officer of the Company (the “Deputy Chief Executive Officer”) and an ED since 13 March 2026, being a director of certain subsidiaries of the Company. He joined Cinda Securities in 2019, is currently the general manager of its financial products department.

Mr. Ren graduated from Beihang University with a Bachelor of Engineering degree in Materials Science and Engineering in July 2007, and subsequently obtained a Master of Engineering degree in Materials Science and Engineering from the same university in January 2010. He has extensive practical experience in the securities industry. He previously worked at China Galaxy Securities Co., Ltd. (the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 6881), the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601881)).

**Ms. Yan Qizhong**, aged 56, was appointed as the chief financial officer of the Company (the “Chief Financial Officer”) and an ED since 2 March 2024, being a director of certain associates of the Company, and a legal representative and manager of the two joint ventures of the Company.

Ms. Yan received her Master degree in Accounting from the University of Finance and Economics in Hunan of the PRC in June 1997, and received a Doctorate degree in Accounting from the Business School of Renmin University of China in January 2012 subsequently. Ms. Yan was a lecturer in accounting at Beijing University of Chemical Technology of the PRC, and she is also a senior economist.

Ms. Yan has over 30 years of extensive experience in accounting, auditing and asset management. She has served in several financial institutions and asset management companies, including China Great Wall Asset Management Corporation\*, CITIC Financial Holding Company\* and Beijing Rural Commercial Bank in the PRC. She also served as the deputy branch manager of The Bank of East Asia (Beijing Branch), overseeing the financial accounting department and the financial markets department from March 2009 to December 2014. Additionally, she took the position of the deputy branch manager and was a member of the Party Committee of the Bank of Hengfeng (Beijing Branch)\* from December 2014 to January 2021, primarily responsible for the financial accounting department, operations management department, and credit approval department. Ms. Yan was the principal expert of Cinda Fund Management Company Limited (formerly known as 信達澳銀基金管理有限公司, being a non-wholly owned subsidiary of Cinda Securities) from February 2021 to March 2024.

# Biographical Details of Directors and Senior Management

**Mr. Zhang Xunyuan**, aged 44, was appointed as the Chief Executive Officer and an ED on 13 March 2023. He is currently a director of Cinda Securities (H.K.).

Mr. Zhang graduated from Beijing Institute of Technology with a Bachelor degree in Engineering in June 2004, he received his Master degree in Economics from Southwestern University of Finance and Economics, China in March 2009, and received his Doctorate degree in Economics from the same university in June 2013 subsequently. He has extensive practical experience in the securities industry. He had worked for Zhongshan Securities Co., Ltd\*, Guangzhou GZHS Market Research Company Limited\* (formerly known as Guangzhou GZHS Securities Investment Consulting Limited\* and Guangzhou GZHS Securities Research Institute Limited\*) and its controlling shareholder Guangzhou Securities Company Limited\* (renamed as CITIC Securities South China Company Limited after being acquired by CITIC Securities Company Limited in 2020). He joined Cinda Securities in December 2019 and successively served as the general manager of the innovative financing department (formerly known as division IV of the investment banking) and the general manager of the securities brokerage division of Cinda Securities.

Mr. Zhang Xunyuan ceased to be the Chief Executive Officer and an ED with effect from 13 March 2026.

## INED(s)

**Ms. Hu Lielei**, aged 50, was appointed as an INED since 27 July 2024, being the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. She is currently a director, president and chief financial officer of VantoRide (Shanghai) Automotive Technology Co., Ltd.\*, and an independent director of each of Orient International Enterprise, Ltd. (the shares of which are listed on the Shanghai Stock Exchange, stock code: 600278) and Touchstone International Medical Science Co., Ltd. (the shares of which are listed on the Shanghai Stock Exchange, stock code: 688013).

Ms. Hu graduated from Shanghai University of Finance and Economics majoring in accounting, with a Bachelor's Degree in Management in July 2009. She then graduated from Fudan University with a Master's Degree in Business Administration in June 2011. In March 2018, she graduated from The University of Chicago with a Master's Degree in Business Administration. Ms. Hu has extensive practical experience in business management, especially in financial management. Ms. Hu served as the head of finance of the Universal Music (China) Representative Office\* from November 2005 to July 2007; she successively served as the head of the financial management department, the assistant president and chief financial officer, and the vice president and chief financial officer of Shenyang Brilliance JinBei Automobile Co., Ltd.\* from July 2007 to February 2012; she served as the vice president and chief financial officer of Liaoning Shenhua Holdings Co., Ltd. (formerly known as Shanghai Shenhua Holdings Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange, stock code: 600653) from February 2012 to May 2017; she served as an independent director of Zhangjiakou Yuanshi Advanced Materials Co., Ltd. from November 2021 to November 2024; she served as a director and the legal representative of LSS LEASING (Shanghai) Co., Ltd. from May 2017 to July 2025; she served as the director of SG Investment America and ICON Aircraft from August 2024 to September 2025. She is a member of the Association of Chartered Certified Accountants, a fellow member of the Association of International Certified Professional Accountants, a member of the Chartered Institute of Management Accountants, a member of CPA Australia, a senior accountant of the PRC, and a member of the Leaders in the Accounting Profession (全國會計領軍人才) programme under the Ministry of Finance of the PRC.

# Biographical Details of Directors and Senior Management

**Mr. Zhao Guangming**, aged 50, was appointed as an INED since 27 July 2024, being a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He is currently a director and a partner of Edeal Cloud Technology Pte. Ltd..

Mr. Zhao graduated from Renmin University of China with a Doctorate Degree in Economics in June 2008, and completed his post-doctoral research in Applied Economics at the post-doctoral workstation of China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Corporation, the shares of which are listed on the Stock Exchange, stock code: 2799) and Peking University in November 2011. Mr. Zhao has extensive practical experience in economics and financial research. Mr. Zhao served as the chief executive officer of Beijing Founder Fubon Financing Asset Management Co., Ltd.\* from August 2015 to February 2017; he served as the executive director and chief executive officer of AnAn International Limited (the shares of which are listed on the Singapore Stock Exchange, stock code: Y35, and together with its subsidiaries, collectively referred to as “AnAn Group”) from March 2017 and resigned as executive director and chief executive officer in September 2018 and October 2018, respectively; during such period, Mr. Zhao was delegated by AnAn Group to act as a non-executive director of EN+ GROUP IPJSC (“EN+ Group”, formerly known as EN+ Group Plc, the shares of which are listed on the London Stock Exchange, stock code: ENPL and the Moscow Stock Exchange, stock code: ENPG, respectively) after AnAn Group had become a shareholder of EN+ Group as strategic investor from December 2017 to April 2018; and he served as a director of Vision & Indepth Trust Pte. Ltd. (a company incorporated in Singapore, as its investment business is affected by COVID-19 pandemic previously, the company applied for and was struck off in November 2023) from November 2018 to November 2023.

**Mr. Li Ying**, aged 54, was appointed as an INED since 1 December 2025, being the chairman of the Remuneration Committee and a member of the Audit Committee. He co-founded Advanced Isotopes Technology Asia Limited (which is a key enterprise supported under the Hong Kong New Industrialisation Acceleration Scheme) in 2024 and has served as its co-founder and director to date. Since founding Alpha Win Capital Limited (a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO) in 2020, he has also served as its founder, co-chairman and chief executive officer, being fully responsible for the company’s strategic formulation and execution, as well as overseeing the overall operation of the company.

Mr. Li graduated from Renmin University of China with a Bachelor of Economics degree in International Finance from the Department of Finance in July 1993. He further pursued advanced studies at Renmin University of China, obtaining a Master of Economics degree and a Doctoral Economics degree in Monetary Banking from the School of Finance in July 1995 and July 1998 respectively. Mr. Li has extensive practical experience in the securities and banking industries. Mr. Li served at head office of Industrial and Commercial Bank of China and ICBC International Holdings Limited. During the period between 2015 and 2019, he served as director and president of BOCOM International Holdings Company Limited (the shares of which were listed on the Main Board of the Stock Exchange in 2017, stock code: 3329), successively overseeing different departments and subsidiaries. Mr. Li concurrently holds certain positions including founding president of the Hong Kong LPF Association, honorary chairman of the 26th Affiliated Sports Association Football Team of the Junior Police Officers’ Association of The Hong Kong Police Force, and honorary advisor to the Hong Kong Securities Association.

## SENIOR MANAGEMENT

**Mr. Liu Jialin**, aged 63, is the managing director of the Group’s asset management department responsible for overseeing the operation of various funds. He is also a shareholder and a director of CPI Investment Holdings Limited (formerly known as Cinda Plunkett International Holdings Limited), an associated company of the Company and an independent non-executive director of the following companies listed on the Stock Exchange: (i) Far East Horizon Limited (stock code: 3360); and (ii) Horizon Construction Development Limited (stock code: 9930). Prior to joining the Group in February 2011, Mr. Liu worked for Morgan Stanley group of companies and once served as a member of the Global Management Committee and Asia Executive Committee as well as a managing director in the fixed income division in Hong Kong between 1992 to 2007. Mr. Liu has extensive experience in finance and securities industry. Mr. Liu obtained a Bachelor degree in Science from Peking University and Master of Science in Physics from Massachusetts Institute of Technology.

\* *English names of the entities are transliteration of their Chinese names for reference only and shall not be regarded as their formal names.*

# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICE

The Board acknowledges the importance of good corporate governance practices and believes that maintaining a high standard of corporate governance practices is crucial to the development of the Company. The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and applicable code provisions set out in the CG Code.

Throughout the financial year 2025, the Company has applied the principles of and complied with all the applicable code provisions set out in the CG Code, with exception sets out as below:

- Pursuant to code provision C.5.1 of the CG Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. For the year ended 31 December 2025, two regular meetings of the Board were held in the first quarter and the third quarter. The Board considers that the two regular meetings were sufficient to deal with regular matters of the Company. During the financial year 2025, other Board meetings were also held, and consent of Directors on issues was also sought through circulating written resolutions in lieu of Board meetings as and when necessary.

The Board continues to monitor and review the Group's corporate governance practices to ensure compliance. The key corporate governance principles and practices of the Company are summarised as follows:

## BOARD OF DIRECTORS

The Board assumes overall responsibility for leading and supervising the Group, and oversees the Group's strategic decisions and monitors business and performance of the Group. The Board laid down the direction of business for the Group and decided on important issues and significant transactions. The implementation of policies and daily management, administration and operations of the Group laid down by the Board rests with the Executive Management Committee ("EMC"), which at material time comprised certain EDs and member from the senior management.

### Composition

As at the date of this CG Report, the Board comprises six Directors, including three EDs and three INEDs, at least one INED has appropriate professional accounting or related financial management expertise as required by Rule 3.10(2), and the Board is in compliance with Rules 3.10 and 3.10A of the Listing Rules.

During the year and up to the date of this CG Report, the Board comprises the following members:

#### *NED*

Mr. Zhang Yi *(Chairman) (resigned on 15 October 2025)*

#### *EDs*

Mr. Zhan Jiang *(Chairman) (appointed on 15 October 2025)*

Mr. Zhang Xunyuuan *(Chief Executive Officer)*

Ms. Yan Qizhong *(Chief Financial Officer)*

#### *INEDs*

Ms. Hu Lielei

Mr. Zhao Guangming

Mr. Li Ying *(appointed on 1 December 2025)*

Mr. Zheng Minggao *(ceased to be an INED with effect from 1 December 2025)*

# Corporate Governance Report

Each of Mr. Zhan Jiang and Mr. Li Ying has obtained legal advice referred to in Rule 3.09D of the Listing Rules prior to his appointment date on 15 October 2025 and 27 November 2025 respectively. Each of them has confirmed his understanding of the obligations as a Director.

The Board possesses, with regard to individual Directors and collectively, appropriate experience, competence and personal qualities, including professionalism and integrity, willingness to devote adequate time to discharge its responsibilities adequately and effectively. In addition, the Board collectively has adequate knowledge and expertise relevant to each of the core business activities that the Group pursues and the associated risks in order to ensure effective governance and oversight.

Members of the Board, who come from different backgrounds, have a diverse range of financial and professional expertise. The biographical particulars of all Directors are disclosed in the section headed “Biographical Details of Directors and Senior Management”. None of the Directors has any financial, business, family or other material/relevant relationship with one another. The list of Directors identifying their roles and functions is also available on the websites of the Company and the Stock Exchange from time to time.

## Chairman and Chief Executive Officer

Mr. Zhan Jiang (appointed on 15 October 2025), the Chairman, and Mr. Zhang Yi (resigned on 15 October 2025), the then Chairman, is primarily responsible for leading the Board and ensuring that good corporate governance practices and procedures are established, whereas Mr. Zhang Xunyu, the Chief Executive Officer, is responsible for the overall operation of the Group. The role of the Chairman is separate from that of the Chief Executive Officer for achieving a clear division of separate responsibility and a balance of power and authority which in turn avoid concentration of power in any one individual. Directors are encouraged to make a full and active contribution to the Board’s affairs and participate actively in all Board, committees and Shareholders meetings.

## NEDS

The NED and INEDs, as equal Board members, provide the Group with diversified expertise and experience. Their views and participation in Board and committee meetings bring independent judgment and advice on issues relating to the Group’s strategies, policies, performance, accountability, key appointments, conflicts of interest and management process, to ensure that the interests of all Shareholders are taken into account. A culture of openness and debate is promoted in order to facilitate the effective contribution of the NEDs and ensure constructive relations between EDs and NEDs (including the INEDs).

For the year ended 31 December 2025, all NEDs (including the INEDs) were appointed for a term of three years, all are subject to rotation in accordance with the provisions in the Bye-laws.

The Company had received from each of the INEDs an annual confirmation of independence. The Board considers that all of them are independent taking into account of the independence guidelines set out in Rule 3.13 of the Listing Rules. As at the date of this CG Report, the Company has no INED who has served for more than nine years and holding seven (or more) listed company directorship.

# Corporate Governance Report

## Board Meetings

The Board meets regularly and at other time when necessary. The Chairman is responsible for ensuring that all Directors are properly briefed on matters to be discussed at Board meetings. All Directors have access to relevant and timely information and are given an opportunity to include matters in the agenda for all Board meetings. To ensure independent views and input are available to the Board, upon request to the company secretary of the Company (the “Company Secretary”), a Director may seek and be provided with separate independent professional advice to assist the relevant Director in discharging his/her duties to the Company at the Group’s expense. The Chairman also hold meeting with the INEDs at least once a year without the presence of other directors. All Directors also have access to the advice and services of the Company Secretary, who is responsible for providing Directors with Board papers and related materials, and ensuring that Board procedures are followed. Where queries are raised by Directors, steps would be taken to respond as promptly and fully as possible. Minutes of Board meetings are kept by the Company Secretary which record in sufficient detail the matters considered and decisions reached.

The attendance of the Directors at the meeting of the Board, Remuneration Committee, Nomination Committee, Audit Committee and Shareholders held during the financial year 2025 is set out below:

Name of Directors	Number of meetings attended/held				
	Regular Board Meetings	Remuneration Committee	Nomination Committee	Audit Committee	General Meeting
<i>NED</i>					
Mr. Zhang Yi <sup>1</sup>	2/2	N/A	2/2	N/A	1/1
<i>EDs</i>					
Mr. Zhan Jiang <sup>2</sup>	0/0	N/A	1/1	N/A	0/0
Mr. Zhang Xunyuan	2/2	N/A	N/A	N/A	1/1
Ms. Yan Qizhong	2/2	N/A	N/A	N/A	1/1
<i>INEDs</i>					
Ms. Hu Lielei	2/2	2/2	3/3	2/2	1/1
Mr. Zhao Guangming	2/2	2/2	3/3	2/2	1/1
Mr. Li Ying <sup>3</sup>	0/0	0/0	N/A	0/0	0/0
Mr. Zheng Minggao <sup>4</sup>	2/2	2/2	N/A	2/2	1/1

### Notes:

<sup>1</sup> resigned on 15 October 2025

<sup>2</sup> appointed on 15 October 2025

<sup>3</sup> appointed on 1 December 2025

<sup>4</sup> ceased to be an INED with effect from 1 December 2025

During the year, the then Chairman held a meeting with the INEDs without the presence of other Directors.

For a matter to be considered by the Board which has a conflict of interest with the substantial Shareholder or a Director and has been determined by the Board as material, the matter would be dealt with by a physical Board meeting. In other cases, where Directors are unable to meet together, matters are resolved by written resolutions in the manner prescribed by the Bye-laws. Full meeting materials are circulated and commented through electronic mail.

# Corporate Governance Report

Notice of at least 14 days is given of a regular Board meeting to give all Directors an opportunity to attend meeting in person or through electronic means of communication. For all other Board meetings, reasonable notice will be given. The agenda and the accompanying board papers are despatched to the Directors at least three days before the intended date of a regular Board or Board committee meeting to enable them to make informed decisions. Minutes of the Board meetings are prepared and circulated to all Directors in reasonable time, kept by the Company Secretary and open for inspection at any reasonable time on reasonable notice by any Director.

Monthly management reports are sent to all Directors to keep the Directors apprised of the latest development and financial position of the Group and to enable them to make informed decisions and discharge their duties. The Board and each Director also have separate and independent access to the senior management whenever necessary.

## Rotation and Re-election of Directors

The Bye-laws provide that every Director shall retire from office by rotation at least once every three years. Directors appointed by the Board during the year shall hold office until the next following annual general meeting and shall then be eligible for re-election by the Shareholders.

For those INEDs who have been serving on the Board for more than nine years and seeking re-election in an annual general meeting, particular consideration will also be given in assessing their independence. Reasons will also be given in the circular in relation to that annual general meeting to explain why the Board believes those INEDs are still independent and should be re-elected, including the factors considered, the process and the discussion of the Board in arriving at such determination, (in case for all INEDs have served more than nine years) the length of tenure of each existing INED and a new INED will be appointed at the forthcoming annual general meeting of the Company.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for Directors' dealing in the securities of the Company. Having made specific inquiries of all Directors, all Directors confirmed that they had complied with the required standards at all times throughout the financial year 2025.

## DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company will provide a comprehensive, formal and tailored induction to each newly appointed Director on his/her first appointment in order to enable him/her to have appropriate understanding of the businesses and operations of the Company and ensure that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

All Directors participate in continuous professional development activities to develop and refresh their knowledge and skills so as to ensure that their contribution to the Board remains informed and relevant. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities for maintaining an effective Board. The Company has provided technical updates to the Directors, including amendments on the Listing Rules and the news release and guidelines published by the Stock Exchange.

# Corporate Governance Report

According to the records provided by the Directors and maintained by the Company, the training received by the Directors for the year ended 31 December 2025 is summarised as follows:

	Directors' duty and corporate governance	Legal and regulatory updates	Business updates
<i>NED</i>			
Mr. Zhang Yi <sup>1</sup>	✓	✓	✓
<i>EDs</i>			
Mr. Zhan Jiang <sup>2</sup>	✓	✓	✓
Mr. Zhang Xunyuan	✓	✓	✓
Ms. Yan Qizhong	✓	✓	✓
<i>INEDs</i>			
Ms. Hu Lielei	✓	✓	✓
Mr. Zhao Guangming	✓	✓	✓
Mr. Li Ying <sup>3</sup>	✓	✓	✓
Mr. Zheng Minggao <sup>4</sup>	✓	✓	✓

Notes:

<sup>1</sup> resigned on 15 October 2025

<sup>2</sup> appointed on 15 October 2025

<sup>3</sup> appointed on 1 December 2025

<sup>4</sup> ceased to be an INED with effect from 1 December 2025

## BOARD COMMITTEES

The Board has established three Board committees, namely the Remuneration Committee, the Nomination Committee and the Audit Committee to oversee particular aspects of the Company's affairs.

### Remuneration Committee

As at the date of this CG Report, the Remuneration Committee comprises three INEDs. The members are Mr. Li Ying, Ms. Hu Lielei and Mr. Zhao Guangming. The Remuneration Committee is chaired by Mr. Li Ying.

A written terms of reference of the Remuneration Committee was adopted at its inception and is updated when necessary. The Remuneration Committee is provided with sufficient resources to discharge its duties and can seek independent professional advice at the Company's expense if considered necessary. The major roles and functions of the Remuneration Committee are included in its terms of reference which are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee shall meet as and when necessary or as requested by any its members. The Remuneration Committee held two meetings in the financial year 2025, the attendance of each member is set out in section headed "Board Meetings" of this CG Report. Apart from the Remuneration Committee meetings, consent of Remuneration Committee members on issue may also sought through circulating written resolutions.

During the financial year 2025, the Remuneration Committee discussed the remuneration package and/or remuneration of the newly appointed ED and INED.

# Corporate Governance Report

## Directors' Remuneration Policy

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management. All EDs have entered into service contracts or letter of appointment with the Company. As recommended by the Remuneration Committee and determined and approved by the Board, the service contracts provide the EDs with a fixed monthly salary, housing allowance (where applicable) determined in accordance with their qualification, experience and the prevailing market conditions together with an annual management bonus decided with reference to the Group's financial performance, the individual's performance during the year and the market conditions, whilst the letter of appointment provides Mr. Zhan Jiang, the Chairman and an ED with no director's fee and/or remuneration. An NED (resigned on 15 October 2025) has entered into a letter of appointment with the Company and did not receive any director's fee and/or remuneration as NED. All INEDs are entitled to a director's fee decided by the Board as recommended by the Remuneration Committee. The Board confirms that no Directors or their associates (as defined in the Listing Rules) are involved in determining their own remuneration. Details of remuneration payable to the Board members and the key management personnel have been disclosed in the notes to the consolidated financial statements in this annual report.

## Nomination Committee

As at the date of this CG Report, the Nomination Committee comprises three members, including Mr. Zhan Jiang, the Chairman and an ED, and two INEDs, Ms. Hu Lielei and Mr. Zhao Guangming. The Nomination Committee is chaired by Mr. Zhan Jiang.

A written terms of reference of the Nomination Committee was adopted at its inception and is updated when necessary. The Nomination Committee is provided with sufficient resources to discharge its duties and can seek independent professional advice at the Company's expense if considered necessary. The major roles and functions of the Nomination Committee are included in its terms of reference which are available on the websites of the Company and the Stock Exchange.

The Nomination Committee shall meet at least once annually. The Nomination Committee held three meetings in the financial year 2025, the attendance of each member is set out in section headed "Board Meetings" of this CG Report. Apart from the Nomination Committee meetings, consent of Nomination Committee members on issue may also sought through circulating written resolutions.

A summary of the work performed by the Nomination Committee during the financial year 2025 was listed below:

1. make recommendation to the Board on the matters relating to the re-appointment and the change of Directors;
2. reviewed the structure, size and composition of the Board;
3. reviewed the implementation and effectiveness of the "Board Diversity Policy" and the Company's mechanism under which independent views and input are available to the Board;
4. reviewed the "Director Nomination Policy"; and
5. assessed the independence of INEDs.

# Corporate Governance Report

## **Director Nomination Policy**

The Board has adopted the Director Nomination Policy. The appointment of a Director (either to fill a casual vacancy or as an additional Director) or any re-appointment of a Director is approved and decided by the Board and/or the Shareholders at the general meeting upon the recommendations from the Nomination Committee. The selection process of Directors will be transparent and fair. The Nomination Committee will select from a broad range of candidates and as far as feasible including those who are outside the Board's circle of contacts and in accordance with the Company's Board Diversity Policy. The Nomination Committee will consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, reputation for integrity, independence, time commitment and gender diversity. It will also consider succession planning to ensure the long-term success of the Company.

## **Board Diversity Policy**

Board diversity has become a critical factor in business resiliency, sustainability and long-term financial performance. The positive results of diversity are so well established that investors are demanding that corporates achieve greater diversity to enhance risk management and achieve a sustainable and balanced development.

The Board has adopted the Board Diversity Policy which sets out the approach to achieve Board diversity. The Nomination Committee and the Board review and monitor the implementation and effectiveness of the policy on an annual basis. The Board recognises and embraces the benefits of having a diverse Board. A truly diverse Board will be achieved through several factors, including but not limited to differences in gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will continue to be primarily responsible for identifying suitable qualified candidates to become Board members and to ensure that the Board has an appropriate balance and diversity with giving adequate consideration to the Board Diversity Policy.

Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, in addition to the aforementioned diversity factors, consideration will be given to independence that the candidate can bring to the Board in all aspects, commitment in respect of sufficient time and attention to the Company's business, and the conditions required by the stock exchange on which its shares are listed and by the regulatory authorities of the places of its listing, etc., in order to ensure the diversity of the Board has a balanced composition and create positive contribution to the Board.

The Company remains committed to meritocracy in the boardroom, which requires a diverse and inclusive culture where Directors believe that their views are heard and their concerns are attended to and they serve in an environment where bias and discrimination on any matter are not tolerated.

As at the date of this CG report, the Company maintained an effective Board comprising members with a diverse mix of gender, professional background and industry experience. The Board consists of four male Directors and two female Directors. The Board targeted to at least maintain the current level for female representation of the Board, and will continue to maintain board diversity and ensure the effectiveness of the Board Diversity Policy.

# Corporate Governance Report

## Workplace Diversity

Diversity is well supported in our corporate culture. Our employment practice complies with applicable laws and regulations and does not discriminate on the grounds of gender, age, race, cultural and educational background, family status, sexual orientation or other factors protected by applicable laws. The gender ratio in the workforce remains balanced for the year end 31 December 2025, which is 1:1. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. The Company will continue the mechanism to maintain the gender diversity in workforce. Further details of gender ratio has been disclosed in the ESG Report.

## Audit Committee

As at the date of this CG Report, the Audit Committee comprises three INEDs. The Audit Committee is chaired by Ms. Hu Lielei who possesses appropriate professional qualifications and experience in accounting and financial management as required under the Listing Rules. The other two members are Mr. Zhao Guangming and Mr. Li Ying.

A written terms of reference of the Audit Committee was adopted at its inception and is updated when necessary. The Audit Committee is provided with sufficient resources to discharge its duties and can seek independent professional advice at the Company's expense if considered necessary. The major roles and functions of the Audit Committee are included in its terms of reference which are available on the websites of the Company and the Stock Exchange.

The Audit Committee shall meet at least twice a year. The Audit Committee held two meetings in the financial year 2025 the attendance of each member is set out in section headed "Board Meetings" of this CG Report. Apart from the Audit Committee meetings, consent of Audit Committee members on issue may also sought through circulating written resolutions.

A summary of the work performed by the Audit Committee during the financial year 2025 was listed below:

1. reviewed and approved the retirement and appointment, the remuneration and the terms of engagement of the external auditor;
2. reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process;
3. reviewed and commented on each of the interim and annual financial statements of the Group and the independent auditor's report before submission to the Board;
4. reviewed the Group's financial control, internal control and risk management systems;
5. reviewed the results of the audit on continuing connected transactions;
6. reviewed the findings and the recommendations of the Group's internal auditor on the Group's operations and the regulatory review carried out by the regulators; and
7. monitored the financial reporting process of the Group.

The work and findings of the Audit Committee have been reported to the Board. During the year, no issue brought to the attention of the Board was of sufficient importance to require disclosure in this annual report.

# Corporate Governance Report

## AUDITOR'S REMUNERATION

BDO has been acting as the external independent auditor of the Company since June 2024. The financial statements of the Company for the year ended 31 December 2025 have been audited by BDO.

During the year, the fees paid/payable to BDO are set out below:

Category of services	Fees paid/payable <i>HK\$</i>
Audit service	801,950
Non-audit services	–
Total	801,950

## ACCOUNTABILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for the preparation of financial statements for the Company which gives a true and fair view of the state of affairs of the Company as at 31 December 2025, and its profit or loss and the cash flows for the year. The financial statements are prepared on the assumption of going concern and are in accordance with the statutory requirements and applicable accounting and financial reporting standards. The Directors also ensure that the publication of the financial statements of the Group is done in a timely manner.

The statements of the Directors and the independent auditor of the Company regarding their respective responsibilities on the financial statements of the Company are set out in the Independent Auditor's Report on pages 39 to 44 of this annual report.

## INTERNAL CONTROL AND RISK MANAGEMENT

The Group strives to maintain a sound and effective internal control and risk management system covering all material controls including financial, operational, compliance and ESG-related controls to safeguard the assets of the Group and its clients. The Board acknowledges its responsibilities for the risk management and internal control systems and reviews their effectiveness at least annually. To achieve this end, a proper segregation of duties and responsibilities is in place. The management is primarily in charge of designing, implementing and monitoring the risk management and internal control systems. Procedures have been designed against unauthorised use or disposal, for maintaining proper accounting records, ensuring the reliability and usefulness of financial information for internal business use or for publication, and monitoring the compliance with applicable laws, rules and regulations. They are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatements or losses.

# Corporate Governance Report

The Board has assessed the effectiveness of the internal control and risk management system of the Group including the design, implementation and monitoring of risk management and internal control systems with the assistance of the Audit Committee twice during the year. The legal, compliance and internal audit department (“LCIA”) and the risk management department (“RM”) half-yearly assessed the internal control and risk management procedures respectively to validate their effectiveness and report the findings to the Audit Committee, which in turn reports to the Board. In addition, to ensure the Company fully complies with related rules and regulations promulgated by the SFC and to identify potential risks, the LCIA performs regular compliance and internal control testing. Exceptional results are brought to the management’s attention. Disciplinary actions are in place to deal with identified non-compliance cases. During the year, no significant control failing or weakness was identified and no previously reported failing remains unresolved.

The Board is responsible for overseeing the risk appetite of the Company including determining the Company’s acceptable level of risk, and review from time to time the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting, internal audit, risk management, financial reporting functions, as well as environmental, social and governance performance and reporting. The Board considers the internal control and risk management system of the Company effective and adequate, and the code provisions on risk management and internal control are complied with. The Group acknowledges that the strengthening of the internal control and risk management system is an ongoing process and will continue to monitor, design and implement appropriate measures to meet the changing business and regulatory environment.

## Dissemination of Inside Information

The Group discloses inside information to the public as soon as reasonably practicable in accordance with the requirements under the Listing Rules and the SFO. Before full disclosure of the inside information to the public, the Group takes reasonable measures to ensure that the information is kept strictly confidential. The Group also strives to present information in a clear and balanced way, which requires equal disclosure of both positive and negative facts, and to ensure that information contained in all corporate communications is not false or misleading as to a material fact, or false or misleading through the omission of a material fact.

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out below:

1. to develop and review the Company’s policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of Directors and senior management;
3. to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
5. to review the Company’s compliance with the CG Code and disclosure in its CG Report.

# Corporate Governance Report

## OTHER CORPORATE GOVERNANCE PRACTICE

There are three major management committees established by the Group, each charged with specific duties of leading and controlling the daily operation and management of the Group. The EMC, chaired by the Chief Executive Officer, is the Company's business management decision-making body, responsible for approving strategic decisions and major matters, financial and resource management, daily operation, and other related matters. Other current member of the EMC includes an ED.

The Risk Management Committee ("RMC") of the Company is accountable to the EMC. The RMC is responsible for dealing with all risk management issues of the Group, and reviewing clients' complaints. The RMC is chaired by the head of RM.

The Investment Management Committee ("IMC") of the Company is also accountable to the EMC. The IMC is responsible for investment decision making and approving investment projects proposed by business units/departments of the Group. The IMC is chaired by the Chief Executive Officer.

## SHAREHOLDERS ENGAGEMENT

The Company strives to maintain effective and on-going communication with its Shareholders and is committed to ensuring that the Group complies with disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all Shareholders and potential investors have an equal opportunity to receive and obtain externally available information issued by the Company. The Board has the overall responsibility to ensure that the Company maintains an ongoing dialogue with the Shareholders, and to provide them with information necessary to evaluate the performance of the Company. The Board adopted the Shareholders Communication Policy in March 2012 which is available on the website of the Company and is updated when necessary. Information regularly provided to the Shareholders includes annual and interim reports, circulars and announcements in accordance with the Listing Rules. The Board reviewed the Shareholders Communication Policy during the year and considered it has been properly implemented and effective. During the financial year 2025, the Company successfully held an annual general meeting on 2 May 2025 in which all Directors attended in person or by electronic means.

The Company welcomes and encourages Shareholders' active participation in annual general meetings or other general meeting to express their views, so as to provide an effective platform for communication between the Shareholders and the Board. Sufficient notice of general meetings will be given to the Shareholders. The Company regards the general meeting(s) as an important event, the Chairman, other members of the Board are invited to attend the general meeting(s) in order to have communication with Shareholders, answer and discuss matters in relation to the Company. The external auditor is also required to be present to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence. A separate resolution will be proposed for each substantially separate issue at a general meeting. The Chairman of every general meeting will provide an explanation of the detailed procedures for conducting a poll.

For both institutional and retail investors, the Company's website, [www.cinda.com.hk](http://www.cinda.com.hk), provides up-to-date information about the Group. All key information such as announcements, annual and interim reports can be downloaded from this website.

# Corporate Governance Report

## SHAREHOLDERS' RIGHTS

### (1) Procedures for Shareholders to convene a special general meeting (“SGM”) and putting forward proposals at Shareholders’ meetings

The Board shall, on the requisition in writing of the Shareholders of not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company to the Board or the secretary of the Company, forthwith proceed to convene a SGM in accordance with the Companies Act 1981 of Bermuda and the Bye-laws where applicable.

The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at the Shareholders’ meeting. It must also be signed by all of the Shareholders concerned and be deposited at the Company’s office in Hong Kong at Suites 5801-04&08, 58/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, for the attention of the Company Secretary.

If within twenty-one days of such deposit the Board fails to proceed to convene the SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any meeting so convened shall not be held after three months from the date of the original deposit.

The Shareholders concerned must deposit a sum of money reasonably sufficient to meet the Company’s expenses in serving the notice of the resolution and circulating the statement submitted by the Shareholders concerned under applicable laws and rules.

As regards Shareholders proposing a person for election as a director, please refer to the procedures as set out in the “Procedure for shareholders to propose a person for election as a director” on the website of the Company at [www.cinda.com.hk](http://www.cinda.com.hk).

### (2) Shareholders’ enquiries

Shareholders should direct their questions about their shareholdings to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Shareholders and the investment community may at any time make a request for the Company’s information to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by writing and provide sufficient contact details to the Company Secretary at the Company’s office in Hong Kong at Suites 5801-04&08, 58/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

## DIVIDEND POLICY

The Board adopted the Dividend Policy in December 2018, pursuant to which the Board may propose to declare and distribute dividends to the Shareholders after taking into consideration of, inter alia, the following factors:

1. general economic conditions;
2. the Group’s financial results;
3. the Group’s capital requirement for business strategies and future development needs;
4. taxation considerations;

# Corporate Governance Report

5. possible effects on the Group's liquidity;
6. shareholders' expectations; and
7. other factors which the Board may consider appropriate.

Declaration of the dividend by the Company is also subject to any restrictions under the Laws of Bermuda, the By-laws and any applicable laws, rules and regulations. The Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim dividends as appeared to the Board to be justified by the profit of the Group.

## CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year.

## COMPANY SECRETARY

The Company Secretary is an employee of the Company, all Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman and/or the Chief Executive Officer on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with Shareholders and the management. The approval for the selection, appointment or dismissal of the Company Secretary rests with the Board at a physical Board meeting.

Ms. Li Hiu Ling acted as the Company Secretary since 2 March 2024. Ms. Li is an employee of the Company, the head of company secretarial department of the Company, and the company secretary of certain subsidiaries of the Company. She is a fellow member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute, and awarded with the dual designations of Chartered Secretary and Chartered Governance Professional. During the financial year 2025, Ms. Li has received no less than 15 hours of relevant professional training.

## CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to contributing to the community and fostering a caring culture, and organised different social services activities and encouraged staff members to participate in voluntary work, and has received several ESG awards in 2025, details of which are disclosed in the ESG Report. As a good corporate citizen, the Group will continue to uphold its corporate social responsibility.

# Report of the Directors

The Board is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATION

The Company is an investment holding company. Principal activities of its subsidiaries are set out in Note 1 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year. An analysis of the Group's performance for the year by business segments is set out in Note 5 to the consolidated financial statements.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 45 of this annual report.

No interim dividend has been declared during the year (2024: nil). The Board appreciates the continuing support of the Shareholders and recommended the payment of a final dividend of HK\$0.05 per Share (2024: nil) for the year ended 31 December 2025 to the Shareholders (except for holders of treasury shares, if any) whose names appeared on the register of members of the Company at the close of business on 26 May 2026 (Tuesday) (i.e. the record date for determining Shareholders' entitlement to the proposed final dividend), payable on or around 17 June 2026 (Wednesday) consistent with the Company's established dividend policy. The declaration of the proposed final dividend for the year ended 31 December 2025 is subject to the Shareholders' approval at the AGM.

As at the date of this report, the Company did not have any treasury shares. Under the applicable laws of Bermuda, the buy-back shares held as treasury shares shall be held in the Company's own name. In the case of any treasury shares deposited temporarily with the Central Clearing and Settlement System ("CCASS") pending resale on the Stock Exchange, the Company will withdraw such treasury shares from CCASS and either re-register them in the Company's own name or cancel them, before the record date for the proposed dividend entitlement, so as to ensure it will not receive the proposed dividend entitlement.

## BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 is set out in the sections headed "Management Discussion and Analysis" and "Corporate Governance Report" respectively of this annual report.

## PRINCIPAL RISKS AND UNCERTAINTIES

Save as disclosed in this annual report, the Company is not aware of any principal risks and uncertainties facing the Company.

## EVENTS AFTER THE REPORTING PERIOD

There are no important events affecting the Group after the end of the financial year and up to the date of this report.

## SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 23 to the consolidated financial statements.

# Report of the Directors

## DEBENTURES

The Group did not issued any debentures during the year.

## EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

## RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 49 of this annual report and in Note 24 to the consolidated financial statements.

Distributable reserves of the Company as at 31 December 2025 calculated under the Companies Act 1981 of Bermuda (as amended from time to time) amounted to HK\$393,849,000 (2024: HK\$288,595,000). Details are set out in Note 24 to the consolidated financial statements.

## DONATIONS

During the year, the Group did not make any charitable donations (2024: nil).

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 142 of this annual report.

## DIRECTORS

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

### NED

Mr. Zhang Yi *(Chairman) (resigned on 15 October 2025)*

### EDs

Mr. Zhan Jiang *(Chairman and Chief Executive Officer) (appointed as Director on 15 October 2025)*

Mr. Ren Jie *(Deputy Chief Executive Officer) (appointed on 13 March 2026)*

Ms. Yan Qizhong *(Chief Financial Officer)*

Mr. Zhang Xunyuan *(Chief Executive Officer) (ceased as the Chief Executive Officer and an ED with effect from 13 March 2026)*

### INEDs

Ms. Hu Lielei

Mr. Zhao Guangming

Mr. Li Ying *(appointed on 1 December 2025)*

Mr. Zheng Minggao *(ceased as an INED with effect from 1 December 2025)*

The biographical details of the Directors are disclosed in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

In accordance with Bye-law 84, Ms. Yan Qizhong shall retire from office by rotation at the AGM and being eligible, offer herself for re-election.

# Report of the Directors

Pursuant to Bye-law 83(2), any Director appointed by the Board shall hold office until the next following annual general meeting of the Company after his or her appointment and shall be eligible for re-election. Mr. Zhan Jiang has been appointed as the chairman of the Board and an ED with effect from 15 October 2025, Mr. Li Ying has been appointed as an INED with effect from 1 December 2025, and Mr. Ren Jie has been appointed as the Deputy Chief Executive Officer and an ED with effect from 13 March 2026. In accordance with Bye-law 83(2), Mr. Zhan Jiang, Mr. Li Ying and Mr. Ren Jie shall hold their offices until the AGM and being eligible, offer themselves for re-election.

## CHANGES IN THE INFORMATION OF DIRECTORS

Changes in information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Zhan Jiang concurrently serves as the Chief Executive Officer and a director of certain subsidiaries of the Company with effect from 13 March 2026.
- Mr. Ren Jie serves as a director of certain subsidiaries of the Company with effect from 13 March 2026, and will not be entitled to a housing allowance of HK\$40,000 per month for his position as the Deputy Chief Executive Officer with effect from 1 April 2026.
- Ms. Yan Qizhong will not be entitled to a housing allowance of HK\$40,000 per month for her position as the Chief Financial Officer with effect from 1 April 2026.
- Ms. Hu Lielei ceased as a director and president of SG Investment America and ICON Aircraft with effect from 30 September 2025; was appointed as a director, president and chief financial officer of VantoRide (Shanghai) Automotive Technology Co., Ltd.\* with effect from 1 October 2025; and was appointed as an independent director of Touchstone International Medical Science Co., Ltd. (the shares of which are listed on the Shanghai Stock Exchange, stock code: 688013) with effect from 7 January 2026.

\* *English name of the entity is transliteration of its Chinese name for reference only and shall not be regarded as its formal name.*

## DIRECTORS' SERVICE CONTRACT

None of the Directors proposed for re-election at the AGM has entered into any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements enabling the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

Save as disclosed in this annual report, no transaction, arrangement or contract of significance to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party, or in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

## COMPETING INTEREST

During the year, none of the Directors was interested in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

# Report of the Directors

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as was known by the Directors and the chief executives of the Company, the following are details of the persons (other than Directors or chief executives of the Company) who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which need to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

### Long positions

Name of substantial Shareholders	Capacity	Number of shares or underlying shares interested	Approximate % of the Company's total number of issued shares
Cinda Securities (H.K.)	Beneficial owner	403,960,200 ( <i>Note</i> )	63.00%
Cinda Securities	Interest through a controlled corporation	403,960,200 ( <i>Note</i> )	63.00%
China Cinda	Interest through a controlled corporation	403,960,200 ( <i>Note</i> )	63.00%
Central Huijin	Interest through a controlled corporation	403,960,200 ( <i>Note</i> )	63.00%

*Note:* These shares were held by Cinda Securities (H.K.). Cinda Securities (H.K.) was wholly-owned by Cinda Securities which was a subsidiary of China Cinda, in which China Cinda in turn held approximately 58% of its total issued shares by Central Huijin. By virtue of the provisions of the SFO, Cinda Securities, China Cinda and Central Huijin were deemed to be interested in all the Shares in which Cinda Securities (H.K.) was interested.

Save as disclosed above, as at 31 December 2025, the Company has not been notified by any persons (other than the Directors or the chief executives of the Company) who 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.

## PERMITTED INDEMNITY PROVISION

The Bye-laws provides that the Directors (whether at present or in the past) 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 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 in their offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any Directors.

During the year, a Directors liability insurance is in force to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

# Report of the Directors

## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

For the year ended 31 December 2025, the Group's operations are mainly carried out by the subsidiaries of the Company in Hong Kong. The Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

## CONTINUING CONNECTED TRANSACTIONS

On 5 November 2024, the Company entered into a master agreement (the "2024 Master Agreement") with China Cinda, pursuant to which the Group has agreed to provide (i) brokering services for securities, futures and options trading; placing, underwriting and sub-underwriting services for securities in return for commissions/service fees ("Category I Transactions"); (ii) corporate finance advisory services in return for service fees ("Category II Transactions"); and (iii) asset management services in return for service fees ("Category III Transactions") to the China Cinda Group.

The 2024 Master Agreement shall have a term of 3 years commenced from 1 January 2025 and ending on 31 December 2027. The annual caps in respect of each category of transactions contemplated under the 2024 Master Agreement are as follows:

	For the year ending 31 December		
	2025	2026	2027
	HK\$	HK\$	HK\$
Category I Transactions	16,000,000	22,000,000	32,000,000
Category II Transactions	10,000,000	10,000,000	10,000,000
Category III Transactions	48,000,000	43,000,000	34,000,000

The Group has followed the pricing policies as set out in the circular of the Company dated 5 December 2024 in respect of the 2024 Master Agreement when determining the price and terms of the transactions contemplated under the 2024 Master Agreement conducted during the year.

Since members of the China Cinda Group are connected persons of the Company, the transactions contemplated under the 2024 Master Agreement constitute continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules. The entering into of the 2024 Master Agreement was subject to and the Company has complied with the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The terms of the 2024 Master Agreement (including the annual caps) were determined after arm's length negotiations between the parties thereto and will be no less favourable to the Group than terms offered to independent third parties. The Directors, including the INEDs, are of the view that the 2024 Master Agreement was entered into in the ordinary and usual course of business of the Group, on normal commercial terms and the terms of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Mr. Zhang Yi, the then chairman of the Board and a NED, held management position in Cinda Securities and Mr. Zhang Xunyuan, an then ED, and Ms. Yan Qizhong, an ED, were nominated by Cinda Securities as its representatives in the Board, and therefore were considered having interest in the 2024 Master Agreement and had therefore abstained from voting on the Board resolutions at the time approving the 2024 Master Agreement and the transactions contemplated thereunder. The 2024 Master Agreement was approved by the independent Shareholders at the special general meeting held on 30 December 2024 with China Cinda Group abstained from voting at the meeting on the relevant resolution.

# Report of the Directors

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Directors have received a letter from the auditor containing their findings and conclusions in respect of the continuing connected transactions disclosed above, which the auditors confirmed the matters set out in Rule 14A.56 of the Listing Rules.

## RELATED PARTY TRANSACTIONS

During the year, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards. Details of these related party transactions are disclosed in Note 36 to the consolidated financial statements. In respect of the Company's material related party transactions set out in Note 36 to the consolidated financial statements, to the extent that they constitute connected transactions and/or continuing connected transactions of the Company under the Listing Rules that apply to it, the Company confirms that it has complied with the requirements under Chapter 14A of the Listing Rules (if applicable).

## SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

### Facility Agreement 1

On 7 July 2016, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK\$300,000,000 (or its equivalent in US dollars or RMB) revolving term loan facility, together with the supplemental facility letters entered into between the parties on 28 May 2021 and 13 October 2023 respectively, the "Facility Agreement 1".

Pursuant to Facility Agreement 1, if written consent is not obtained from the bank, it shall be an event of default if any undertakings including, among others, the following is or proves to have been untrue or inaccurate in any material respect when made or repeated:

- China Cinda shall directly or indirectly beneficially own at least 50% of shareholding of the Company;
- Cinda Securities shall remain at least 50% owned by China Cinda;
- The Company shall remain at least 50% owned by Cinda Securities.

If an event of default under Facility Agreement 1 occurs, all the obligations of the Company to the bank shall become immediately due and payable on the bank's demand. The loan facility is subject to an annual review by the bank.

As at 31 December 2025, loan amount outstanding under Facility Agreement 1 was RMB100,000,000 (equivalent to HK\$111,275,000).

# Report of the Directors

## Facility Agreement 2

On 25 October 2017, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK\$300,000,000 (or its equivalent in US dollars) revolving loan facility, together with the supplemental facility letters entered into between the parties on 27 April 2018, 21 August 2023 and 29 July 2024 respectively, the “Facility Agreement 2”, under which certain specific performance obligation was imposed on the controlling Shareholder. The loan facility is subject to an annual review by the bank.

Pursuant to the Facility Agreement 2, it shall be an event of default if any undertakings including the following, among others, is or proves to have been untrue or inaccurate in any material respect when made or repeated:

- The Company shall ensure that the Company will remain more than 50% beneficially owned by Cinda Securities and Cinda Securities will remain a more than 50% beneficially owned subsidiary of China Cinda.
- The Company shall ensure that the State Council of the PRC shall hold directly or indirectly more than 50% shareholding of China Cinda.

If an event of default under the Facility Agreement 2 occurs, the bank may demand repayment in full all outstanding advances together with the interest accrued thereon and all other sums payable by the Company under the Facility Agreement 2.

As at 31 December 2025, loan amount outstanding under Facility Agreement 2 was HK\$200,000,000.

## Facility Agreement 3

On 27 June 2018, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK\$150,000,000 (or its equivalent in US dollars or RMB) revolving loan facility. On 3 April 2023, a supplemental facility letter to the facility agreement was entered into between the parties. Pursuant to which, as one of the conditions of the loan facility, China Cinda shall maintain directly or indirectly management control over the Company. Upon the breach of any of the conditions, the loan facility is repayable in full on demand by the bank. During the year, the Company entered into a supplemental facility letter with the party on 26 March 2025 (together with the facility agreement and the supplemental facility letters previously entered into, collectively the “Facility Agreement 3”), pursuant to which, the loan facility had been increased from HK\$150,000,000 to HK\$250,000,000. The loan facility is subject to an annual review by the bank.

As at 31 December 2025, HK\$238,000,000 has been drawn under Facility Agreement 3.

## Facility Agreement 4

On 7 September 2018, Cinda International Securities Limited (“CISL”, a wholly-owned subsidiary of the Company) as borrower and the Company as guarantor entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK\$200,000,000 general banking facilities (the “Facility Agreement 4”). As one of the undertakings of the general banking facilities, China Cinda shall remain the single largest beneficiary shareholder (directly or indirectly) of the Company. Breach of any of the conditions will constitute an event of default under the Facility Agreement 4, upon which all amounts (including principal and interest) due or owing by CISL to the bank shall become immediately due and payable. The general banking facilities is subject to an annual review by the bank.

As at 31 December 2025, loan amount outstanding under Facility Agreement 4 was nil.

# Report of the Directors

## Facility Agreement 5

On 24 September 2020, the Company as borrower accepted a facility letter issued by a licensed bank in Hong Kong, pursuant to which a HK\$120,000,000 (or US dollars or RMB equivalent) revolving loan facility would be made available by the bank to the Company subject to the terms and conditions of the facility letter. During the year, the Company entered into a revised facility letter with the party on 11 September 2025 (together with the facility letter and the revised facility letters previously entered into, collectively the “Facility Agreement 5”), pursuant to which, the loan facility had been increased from HK\$120,000,000 to HK\$200,000,000. Pursuant to the Facility Agreement 5, default will be triggered if any default events occurred, including breach of any one of the following loan undertakings, among others, (i) China Cinda shall directly or indirectly hold or control not less than 50% shareholding of the Company; and (ii) the State Council of the PRC shall directly or indirectly hold or control not less than 50% shareholding of China Cinda. The bank may demand repayment in full all outstanding advances together with the interest accrued thereon and all other sums payable by the Company under the Facility Agreement 5 if default is being triggered. The loan facility is subject to an annual review by the bank.

As at 31 December 2025, loan amount outstanding under Facility Agreement 5 was RMB91,000,000 and HK\$16,000,000 (equivalent to HK\$117,260,000).

## Facility Agreement 6

On 10 February 2022, the Company as borrower confirmed its acceptance of the facility letter (together with the revised facility letter entered into between parties on 26 February 2025, the “Facility Agreement 6”) issued by a licensed bank in Hong Kong. Pursuant to the Facility Agreement 6, the bank agreed to make available to the Company an US\$40,000,000 (or its equivalent in Hong Kong dollars or RMB) revolving loan facility. Pursuant to the Facility Agreement 6, default will be triggered if events of default occurred, including breach of any one of the following loan undertakings, among others: (i) China Cinda shall hold beneficially not less than 50% of the shareholding interest in Cinda Securities; (ii) Cinda Securities shall hold beneficially not less than 50% of the shareholding interest in the Company; and (iii) the State Council or Ministries of the PRC shall hold beneficially not less than 50% of the shareholding interest in China Cinda. If an event of default under the Facility Agreement 6 occurs, the bank may demand immediate repayment of all outstanding amounts and require provision of immediate cash cover (in the amount notified by the bank) for any future or contingent liabilities. The loan facility is subject to an annual review by the bank.

As at 31 December 2025, loan amount outstanding under Facility Agreement 6 was RMB70,000,000 and HK\$60,000,000 (equivalent to HK\$137,892,000).

## Facility Agreement 7

On 19 June 2025, the Company as borrower entered into a facility agreement with a licensed bank in China, pursuant to which, the bank agreed to make available to the Company a US\$13,500,000 (or its equivalent in Hong Kong dollars or RMB) revolving loan facility with the maturity date falling one year from the first drawdown date (the “Facility Agreement 7”). Pursuant to the Facility Agreement 7, default will be triggered if any events of default occurred, including breach of the following loan undertakings, among others: China Cinda and Cinda Securities shall maintain their controlling position over the Company. The bank may (i) adjust, cancel or terminate the commitments under the Facility Agreement 7; and (ii) declare that the whole or any part of the loan facility, together with the interests accrued thereon and all other sums payable by the Company under the Facility Agreement 7 be immediately due and payable if default is being triggered.

As at 31 December 2025, loan amount outstanding under Facility Agreement 7 was HK\$48,090,000.

# Report of the Directors

## Facility Agreement 8

on 17 September 2025, the Company as borrower confirmed its acceptance of a facility letter issued by a licensed bank in Hong Kong (the “Facility Agreement 8”), pursuant to which, the bank agreed to make available to the Company an uncommitted revolving loan facility of an amount up to HK\$200,000,000 (or its equivalent amount in US dollars, RMB or other currencies acceptable to the bank) with the availability period falling one year from the date of our acceptance of the Facility Agreement 8. Pursuant to the Facility Agreement 8, default will be triggered if any events of default occurred, including breach of the following loan undertakings, among others: procure that China Cinda shall directly or indirectly maintain the management control over the Company and remain as the largest Shareholder. The bank shall be entitled to (i) make a demand for immediate repayment of the Company’s indebtedness, liabilities and/or obligations under the Facility Agreement 8; and/or (ii) terminate or cancel the loan facility if default is being triggered. The loan facility is subject to an annual review by the bank.

As at 31 December 2025, loan amount outstanding under Facility Agreement 8 was RMB52,000,000 and HK\$77,000,000 (equivalent to HK\$134,863,000).

## Facility Agreement 9

on 11 December 2025, the Company as borrower confirmed its acceptance of a facility letter issued by a licensed bank in Hong Kong (the “Facility Agreement 9”), pursuant to which, the bank agreed to make available to the Company an uncommitted revolving loan facility of an amount up to HK\$100,000,000 (or its equivalent amount in US dollars, RMB or other currencies agreed by the bank) with the maturity date falling 12 months from the date of our acceptance of the Facility Agreement 9 (subject to the bank’s review from time to time). Pursuant to the Facility Agreement 9, default will be triggered if any events of default occurred, including breach of the following loan undertakings, among others: (i) procured that Cinda Securities shall maintain its direct or indirect shareholding in the Company at not less than 51%. (ii) procured that China Cinda shall maintain its direct or indirect shareholding in Cinda Securities at not less than 51%. (iii) procured that China Cinda shall maintain its direct or indirect shareholding in the Company at not less than 51%. The bank shall be entitle to (i) make a demand for immediate repayment of the Company’s indebtedness, liabilities and/or obligations under the Facility Agreement 9; and/or (ii) terminate or cancel the loan facility if default is being triggered. The loan facility is subject to an annual review by the bank.

As at 31 December 2025, loan amount outstanding under Facility Agreement 9 was nil.

## PRE-EMPTIVE RIGHTS

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

## TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

## 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.

# Report of the Directors

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of turnover for the year attributable to the Group's major customers are as follows:

– the largest customer	8.9%
– the five largest customers combined	19.4%

As at 31 December 2025, the largest customer is a joint venture, which was already disclosed in Note 36 to the consolidated financial statements. The subsequent four largest customers consisted of an indirect controlling shareholder of the Company, an associate of the Company and two Independent Third Parties. Saved as disclosed, at no time during the year have the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued Shares (excluding treasury shares, if any)) had any interests in these major customers.

As the Group is engaged in the provision of financial services, the Directors are of the opinion that giving information on suppliers would be of limited or no value.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2025.

As at 31 December 2025, the Company did not have any treasury shares.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that was publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules, with at least 25% of the total number of issued Shares (excluding treasury shares, if any) were held by public throughout the year and up to the date of this report.

## AUDITOR

Following the retirement of Ernst & Young at the 2023 annual general meeting (i.e. 27 June 2023), Baker Tilly Hong Kong Limited was appointed as the external independent auditor of the Company from the conclusion of the said annual general meeting.

Following the retirement of Baker Tilly Hong Kong Limited at the 2024 annual general meeting (i.e. 27 June 2024), BDO was appointed as the external independent auditor of the Company from the conclusion of such annual general meeting. The consolidated financial statements of the Company for the year ended 31 December 2025 have been audited by BDO. BDO shall retire and being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of BDO as auditor of the Company will be proposed at the AGM.

# Report of the Directors

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Discussions of the Group's environmental policies and performance and key relationships with its stakeholders (including employees, customers and suppliers and others that have a significant impact on the Group) form part of this report and are contained in the ESG Report.

By order of the Board

**Zhan Jiang**  
*Chairman*

27 March 2026

# Independent Auditor's Report



**To the shareholders of Cinda International Holdings Limited**  
*(Incorporated in Bermuda with limited liability)*

## OPINION

We have audited the consolidated financial statements of Cinda International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 45 to 141, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matter

### How our audit addressed the key audit matter

#### ***Impairment assessment on debt instruments measured at fair value through other comprehensive income and margin loans arising from securities brokering***

As of 31 December 2025, the Group's net carrying amount of debt instruments measured at fair value through other comprehensive income ("FVOCI") and margin loans amounted to HK\$1,272 million (2024: HK\$619 million) and HK\$38.1 million (2024: HK\$61.7 million) respectively, representing 49.7% and 1.5% of the Group's total assets.

The Group applies the expected credit loss ("ECL") model to assess the allowance for ECLs of debt instruments measured at FVOCI and margin loans. As of 31 December 2025, the impairment provision for debt instruments measured at FVOCI and margin loans arising from securities brokering was HK\$13.4 million (2024: HK\$1.8 million) and HK\$13.1 million (2024: HK\$29.4 million), respectively.

The determination of ECLs involves identification of loss stages, estimates of probability of default, loss given default, exposures at default, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of these parameters and the application of the assumptions.

We identified the impairment of debt instruments measured at FVOCI and margin loans as a key audit matter due to the involvement of significant management judgements, estimates and assumptions in the ECLs measurement.

Our procedures in relation to the impairment assessment on debt instruments measured at fair value through other comprehensive income and margin loans included:

- Reviewing documentation and discussing with the Group's management to understand and assess the methodology applied in the ECL model; and
- Assessing the reasonableness and appropriateness of the Group's determination of significant increases in credit risk and their basis for classification of exposures into the 3 stages as required by HKFRS 9.

Involving an auditor's expert to assist us in evaluating and assessing the appropriateness of the assessment methodologies and the reasonableness of the key assumptions and estimations used in the assessment.

Additionally, for the estimation of the ECL of debt instruments classified as FVOCI, we:

- Evaluated the ECL model design for debt instruments measured at FVOCI and the assumptions, information and parameters used in the model, such as probability of default, loss given default, and exposure at default, by comparing them with commonly used valuation techniques in the market.

Additionally, for the estimation of the ECLs of margin loans, we:

- Assessed, on a sample basis, the price volatility of underlying pledged collaterals for margin loans by agreeing to external data sources.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matter

### How our audit addressed the key audit matter

#### *Equity accounting for investment in Sino-Rock Investment Management Company Limited*

The Group owns a 27.59% interest in Sino-Rock Investment Management Company Limited (“Sino-Rock”), a company incorporated in Hong Kong which primarily engages in investment management and investment holding.

The Group accounts for its interest in Sino-Rock using the equity method and its share of profit from Sino-Rock for the year ended 31 December 2025 was HK\$13.1 million (2024: HK\$14.8 million). As of 31 December 2025, the Group's share of Sino-Rock's net assets was HK\$316.9 million (2024: HK\$304.3 million), accounting for 12.4% of the Group's total assets.

Sino-Rock is audited by another independent auditor (the “Sino-Rock Auditor”). Sino-Rock's financial assets of HK\$675.4 million are categorised as Level 3 under the fair value hierarchy, representing 69.2% of Sino-Rock's total assets as at 31 December 2025. The valuation of these Level 3 financial instruments involves significant unobservable input and with the assistance from an external specialist, Sino-Rock's management used valuation techniques to determine the fair value of the Level 3 financial instruments that are not quoted in active markets.

We identified the equity accounting for Sino-Rock as a key audit matter due to the significance of balance, level of judgement and degree of complexity involved in the valuations.

Our procedures in relation to the equity accounting for investment in Sino-Rock included:

- Obtaining the financial information from Sino-Rock's management to assess the significance of the financial impacts of the Level 3 financial instruments to the consolidated financial statements of the Group and design our audit procedures accordingly;
- Holding meetings with Sino-Rock's management to discuss about the financial performance and critical judgements over the Level 3 financial instruments;
- Evaluating the competence, capability, independence and objectivity of the Sino-Rock Auditor;
- Communicating with the Sino-Rock Auditor regarding the overall risk assessment, and the identification of areas of audit focus through conference call meetings; and
- Reviewing the audit procedures performed by the Sino-Rock Auditor to address the fair value measurement of the Level 3 financial instruments in respect of its evaluation of the valuation techniques, inputs, assumptions and the judgements applied by management, evaluating the sufficiency and appropriateness of the audit work performed and evidence obtained by the Sino-Rock Auditor.

# Independent Auditor's Report

## OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

## DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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.

# Independent Auditor's Report

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

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

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

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

# Independent Auditor's Report

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

From the matters communicated with the Audit Committee, 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.

**BDO Limited**

*Certified Public Accountants*

**Choi Kit Ying**

Practising Certificate Number: P07387

Hong Kong, 27 March 2026

# Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	203,446	191,885
Other income	5	46	5,947
Other gains/(losses), net	5	24,399	(25,931)
		<b>227,891</b>	<b>171,901</b>
Staff costs	6	53,346	55,197
Commission expenses		10,740	7,634
(Reversal of impairment)/impairment losses on financial assets	7(a)	(4,579)	17,509
Other operating expenses	7(b)	62,408	50,796
Finance costs	8	39,502	30,450
		<b>161,417</b>	<b>161,586</b>
Share of profits of joint ventures, net		66,474	10,315
Share of profits of associates	18	15,388	20,700
<b>Profit before taxation</b>		<b>83,422</b>	<b>31,015</b>
Income tax expense	9	(2,992)	(20,680)
<b>Profit for the year attributable to equity holders of the Company</b>		<b>80,430</b>	<b>10,335</b>
<b>Basic and diluted earnings per share attributable to equity holders of the Company</b>	11	<b>HK12.54 cents</b>	<b>HK1.61 cents</b>

The notes on pages 51 to 141 form part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<b>80,430</b>	10,335
<b>Other comprehensive income/(expense) for the year:</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Debt instruments at fair value through other comprehensive income:		
– changes in fair value	29,219	(25,987)
– impairment losses/(reversal) included in profit or loss	11,571	(2,883)
– reclassification adjustments upon disposals	(249)	(130)
Net movement in investment revaluation reserve	40,541	(29,000)
Exchange differences on translation of foreign operations	–	(2,094)
Released exchange reserve upon disposal of subsidiaries	–	14,586
Share of exchange reserve of associates	3,627	1,836
Net movement in exchange reserve	3,627	14,328
Other comprehensive income/(expense) for the year, net of nil income tax	44,168	(14,672)
<b>Total comprehensive income/(expense) for the year attributable to equity holders of the Company</b>	<b>124,598</b>	<b>(4,337)</b>

The notes on pages 51 to 141 form part of these consolidated financial statements.

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Intangible assets	12	1,319	1,439
Property and equipment	13	4,640	5,595
Right-of-use assets	16	31,154	7,380
Interests in joint ventures	17	30,948	29,388
Interests in associates	18	368,170	430,328
Other assets	19	20,916	8,744
Deferred tax assets	20(b)	24	63
		<b>457,171</b>	<b>482,937</b>
<b>Current assets</b>			
Debt instruments at fair value through other comprehensive income	14	1,304,108	619,114
Financial assets at fair value through profit or loss	15	52,694	11,672
Amounts due from joint ventures	17	147,226	149,402
Trade and other receivables	21	353,598	312,851
Pledged bank deposits	22	12,912	12,758
Bank balances and cash	22	256,215	275,460
		<b>2,126,753</b>	<b>1,381,257</b>
<b>Current liabilities</b>			
Trade and other payables	25	253,866	214,800
Borrowings	26	1,236,510	706,566
Tax payable	20(a)	59	40
Lease liabilities	16	6,836	6,992
		<b>1,497,271</b>	<b>928,398</b>
<b>Net current assets</b>		<b>629,482</b>	<b>452,859</b>
<b>Total assets less current liabilities</b>		<b>1,086,653</b>	<b>935,796</b>

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Capital and reserves</b>			
Share capital	23	64,121	64,121
Other reserves		472,239	428,071
Retained earnings		524,034	443,604
<b>Total equity attributable to equity holders of the Company</b>		<b>1,060,394</b>	935,796
<b>Non-current liabilities</b>			
Lease liabilities	16	26,259	–
		<b>1,086,653</b>	935,796

Approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by:

**Zhan Jiang**  
Executive Director

**Yan Qizhong**  
Executive Director

The notes on pages 51 to 141 form part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity holders of the Company						
	Share capital HK\$'000	Share premium* HK\$'000	Capital reserve* HK\$'000	Investment revaluation reserve* HK\$'000	Exchange reserve* HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 January 2024	64,121	421,419	42,879	4,168	(25,723)	433,269	940,133
Profit for the year	–	–	–	–	–	10,335	10,335
Other comprehensive income/(expense)	–	–	–	(29,000)	14,328	–	(14,672)
Total comprehensive income/(expense) for the year	–	–	–	(29,000)	14,328	10,335	(4,337)
At 31 December 2024 and 1 January 2025	<b>64,121</b>	<b>421,419</b>	<b>42,879</b>	<b>(24,832)</b>	<b>(11,395)</b>	<b>443,604</b>	<b>935,796</b>
Profit for the year	–	–	–	–	–	80,430	80,430
Other comprehensive income	–	–	–	40,541	3,627	–	44,168
Total comprehensive income for the year	–	–	–	40,541	3,627	80,430	124,598
At 31 December 2025	<b>64,121</b>	<b>421,419</b>	<b>42,879</b>	<b>15,709</b>	<b>(7,768)</b>	<b>524,034</b>	<b>1,060,394</b>

\* These reserve accounts comprise the other reserves of HK\$472,239,000 (2024: HK\$428,071,000) in the consolidated statement of financial position.

The notes on pages 51 to 141 form part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Net cash generated/(used in) from operating activities</b>	31(a)	<b>54,391</b>	(16,056)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	13	(1,391)	(1,363)
Purchase of debt instruments at fair value through other comprehensive income		(630,136)	(667,449)
Proceeds from disposal of debt instruments at fair value through other comprehensive income		25,179	262,665
Purchase of financial assets at fair value through profit or loss		(39,093)	(11,700)
Proceeds from disposal of financial assets at fair value through profit or loss		–	26,640
Net cash outflows from disposal of subsidiaries	35	–	(78,046)
Dividend from associates	18	4,414	41,854
Interest received from investments		11,694	20,619
Redemption of an associate		76,759	–
<b>Net cash used in from investing activities</b>		<b>(552,574)</b>	(406,780)
<b>Cash flows from financing activities</b>			
Repayments of lease liabilities	16	(12,824)	(19,116)
Proceeds from bank borrowings		608,451	975,815
Repayment of bank borrowings		(225,043)	(699,183)
Proceeds from borrowings under repurchase agreements		651,824	43,516
Repayment of borrowings under repurchase agreements		(529,179)	(98,390)
Interest paid		(14,291)	(26,721)
<b>Net cash generated from financing activities</b>		<b>478,938</b>	175,921
<b>Net decrease in cash and cash equivalents</b>		<b>(19,245)</b>	(246,915)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>275,460</b>	519,331
Effect of foreign exchange rate changes, net		–	3,044
<b>Cash and cash equivalents at the end of the year</b>	22	<b>256,215</b>	275,460
<b>Analysis of balances of cash and cash equivalents:</b>			
Bank balances – general accounts and cash in hand	22	256,215	275,460

The notes on pages 51 to 141 form part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 1. CORPORATE AND GROUP INFORMATION

The principal activity of the Company is investment holding.

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

These consolidated financial statements are presented in Hong Kong dollars unless otherwise stated, which is also the functional currency of the Company. These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2026.

### General information of subsidiaries

Particulars of the subsidiaries of the Company at the end of the reporting period are set out below:

Name	Place of incorporation and operation	Particulars of issued share capital/ share capital held	Interest held directly		Principal activities
			2025	2024	
Cinda International Capital Limited	Hong Kong	HK\$54,000,100 ordinary shares and HK\$21,000,000 non-voting deferred shares	100%	100%	Corporate finance services
Cinda International Securities Limited	Hong Kong	HK\$220,000,100 ordinary shares and HK\$50,000,000 non-voting deferred shares	100%	100%	Securities brokering and margin financing services
Cinda International Futures Limited	Hong Kong	HK\$70,000,100 ordinary shares and HK\$10,000,000 non-voting deferred shares	100%	100%	Commodities and futures brokering
Cinda International Asset Management Limited	Hong Kong	HK\$33,500,100 ordinary shares and HK\$2,000,000 non-voting deferred shares	100%	100%	Asset management
Chinacorp Nominees Limited	Hong Kong	HK\$100 ordinary shares and HK\$10,000 non-voting deferred shares	100%	100%	Provision of administrative support services
Cinda (BVI) Limited	British Virgin Islands/ Hong Kong	US\$7 ordinary shares	100%	100%	Investment holding

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### General information of subsidiaries (Continued)

Particulars of the subsidiaries of the Company at the end of the reporting period are set out below: (Continued)

Name	Place of incorporation and operation	Particulars of issued share capital/ share capital held	Interest held directly		Principal activities
			2025	2024	
Cinda International Research Limited	Hong Kong	HK\$1,000,000 ordinary shares	100%	100%	Provision of research services
Cinda International GP Management Limited	Cayman Islands/ Hong Kong	US\$1 ordinary share	100%	100%	Asset management

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES

### 2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

### 2.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at their fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

### 2.3 Basis of consolidation

#### Subsidiaries and non-controlling interests

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Basis of consolidation (Continued)

#### **Subsidiaries and non-controlling interests (Continued)**

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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

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

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

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

#### **Investments in associates and joint ventures**

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Basis of consolidation (Continued)

#### Investments in associates and joint ventures (Continued)

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

### 2.4 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 2.5 Foreign currencies

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.5 Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

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

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

### 2.6 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Leasehold improvements	Over the lease periods or 5 years if shorter
Furniture and fixtures	20%
Computer software	Over the technological life or 5 years if shorter
Office & computer equipment	20%
Motor vehicles	20%

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Property and equipment (Continued)

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

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

### 2.7 Intangible assets

#### Trading rights

Trading rights held in The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited (the “Stock Exchange trading rights” and “Futures Exchange trading right” respectively) are classified as intangible assets. Trading rights have an indefinite useful life and are carried at cost less accumulated impairment losses (see note 2.8). The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

The useful life of the trading rights 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 account for on a prospective basis.

#### Club membership

Club membership is classified as intangible assets. Club membership has an indefinite useful life and is carried at cost less accumulated impairment losses (see note 2.8).

### 2.8 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Impairment of non-financial assets (Continued)

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

### 2.9 Investments and other financial assets

#### (a) Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15") in accordance with the policies set out in note 2.17 below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.9 Investments and other financial assets (Continued)

#### (b) Subsequent measurement

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

##### ***Financial assets at amortised cost (trade and other receivables and other assets)***

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

##### ***Financial assets at fair value through other comprehensive income (debt instruments)***

For the debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the consolidated statement of profit or loss.

##### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial instruments held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.9 Investments and other financial assets (Continued)

#### (c) Derecognition of financial assets

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

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

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

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

#### (d) Impairment

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *General approach*

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.9 Investments and other financial assets (Continued)

#### (d) Impairment (Continued)

##### *General approach (Continued)*

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt instruments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt instruments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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

Debt instruments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.9 Investments and other financial assets (Continued)

#### (d) Impairment (Continued)

##### *Simplified approach*

For trade and other receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 2.10 Financial liabilities

#### (a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables and borrowings.

#### (b) Subsequent measurement

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

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

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

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.10 Financial liabilities (Continued)

#### (b) Subsequent measurement (Continued)

##### *Financial guarantee contracts*

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in note 2.9(d); and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

#### (c) Derecognition of financial liabilities

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

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

### 2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 2.12 Fair value measurement

The Group measures its equity investments and certain debt instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.12 Fair value measurement (Continued)

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

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

### 2.13 Cash and cash equivalents

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

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

### 2.14 Income tax

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

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

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.14 Income tax (Continued)

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

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

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 Employee benefits

#### *Pension scheme*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiary operates in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute 5% of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

### 2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

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

### 2.17 Revenue recognition

#### (a) Revenue from contracts with customers

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

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

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.17 Revenue recognition (Continued)

#### (a) Revenue from contracts with customers (Continued)

##### *Provision of securities and futures brokering service*

The Group earns fee and commission income from securities and futures brokering services, which the Group provides to the customers. Fee and commission income are recognised when the transactions are completed. The performance obligation is satisfied at a point in time when the customer has obtained control of the service, generally when the trades are executed. Commission and handling income on securities and futures dealing and brokering is generally due within two days after trade date.

##### *Provision of corporate finance service*

The Group provides services to companies listed or seeking listing in Hong Kong or other stock exchanges and other unlisted corporates, on both equity and debt financing. Recognition of sponsor fee income at a point in time or over time depends on the specific terms in the contract with the customer and the enforceability of the contract terms. In determining the timing of satisfaction of the performance obligation, the Group examines its services on a contract by contract basis and considers if it has a right to payment at an amount that reasonably compensates it for its performance completed to date at all times throughout the contract. For sponsor fee income recognised at a point in time, the fee income will only be recognised when all the relevant duties of a sponsor as stated in the contract are completed. For sponsor fee income recognised over time, the Group measures the progress using the output method and estimates the percentage of completion by key tasks performed to date. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depicts the Group's performance in transferring control of goods or services.

The Group also provides other corporate finance advisory services, and the recognition of advisory fee income at a point in time or over time depends on the performance obligation of the contract. The performance obligations for certain corporate finance advisory services are fulfilled when all the relevant duties of the Group as stated in the contract are completed. Certain corporate finance advisory services' performance obligations are satisfied as services rendered if the customer simultaneously receives and consumes the benefits provided by the Group. The Group measures the progress using the output method and estimates the percentage of completion by key tasks performed to date. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depicts the Group's performance in transferring control of goods or service.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.17 Revenue recognition (Continued)

#### (a) Revenue from contracts with customers (Continued)

##### *Provision of asset management service*

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year or less, or are billed based on the time incurred.

##### *Provision of underwriting and placement service*

The performance obligation is satisfied upon the completion of the offering of the securities.

#### (b) Revenue from other sources

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

### 2.18 Leases

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

#### **The Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

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

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 Leases (Continued)

#### The Group as a lessee (Continued)

##### (b) *Lease liabilities*

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

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

##### (c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.19 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

### 2.20 Related parties

(a) **A person, or a close member of that person's family, is related to the Group if that person:**

- (i) has control or joint control of the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) **An entity is related to the Group if any of the following conditions applies:**

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 2.21 Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.22 Government grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

### 2.23 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.24 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. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## 3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended HKFRS Accounting Standards issued by the HKICPA to these consolidated financial statements for the current accounting period:

Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability in Foreign Exchange Rates

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRS Accounting Standards are discussed below:

### HKFRS 18 Presentation and Disclosure in Financial Statements

The Group is currently assessing the effect of these new accounting standards and amendments. HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

### HKFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group does not expect to be eligible to apply HKFRS 19.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 4. ACCOUNTING JUDGEMENTS AND ESTIMATES

### (a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

#### (i) Significant influence over CPI Absolute Return Fund ("CPIAR Fund")

Note 18 describes that CPIAR Fund was an associate of the Group. The assessment was made taking into account that (a) the Group had 18.84% before redemptions during the year (2024: 16.43%) ownership in CPIAR Fund, (b) the Group had significant influence over the investment manager of CPIAR Fund and (c) the Group was the investment advisor which holds the license to perform regulatory activities – asset management under the SFO of CPIAR Fund which give it significant influence over CPIAR Fund. During the year, CPIAR Fund had been fully redeemed and ceased to be recorded as an associate upon completion of redemptions.

Details of CPIAR Fund are set out in note 18.

#### (ii) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (iii) Deferred tax assets

Deferred tax assets are recognised for tax losses not yet used, temporary deductible differences arising from depreciation of non-current assets and impairment of assets. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. Further details are available in note 20(b) to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### (b) Sources of estimation uncertainty

The significant sources of estimation uncertainty are as follows:

#### (i) Estimation of fair values

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. For unlisted investments held by the Group and the Group's associate, where direct market prices in an active market are not available, the fair value of such instruments is calculated on the basis of valuation techniques using current market parameters. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. In particular, the fair value is a theoretical value applicable at a given reporting date, and hence cannot be used as an indicator of value realisable in a future sale.

#### (ii) Provision for expected credit losses on financial instruments under HKFRS 9 Financial Instruments ("HKFRS 9")

The Group uses an expected credit loss model to calculate ECLs for financial instruments under HKFRS 9. For margin loans arising from securities brokering, with a large number of diversified customers and no similar credit rating benchmark, the provision rates are based on historical data on default cases of the Group with adjustment to reflect the price volatility of the underlying pledged collateral, as appropriate. For debt instruments measured at fair value through other comprehensive income, the provision rates are based on the estimated probability of default of companies with similar credit ratings, with adjustment to reflect the current conditions and forward-looking information, such as forecasts of future economic conditions, as appropriate. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the probability of default rates are adjusted. At each reporting date, the parameters are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among the probability of default rates, forward-looking information and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances. The Group's expected credit loss may not be representative of the actual default in the future. The information about the ECLs on the Group's financial instruments is disclosed in notes 14 and 21 to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION

	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>		
<b><i>Revenue from contracts with customers</i></b>		
Fees and commission		
– Asset management	11,579	13,888
– Sales and trading business	32,185	23,207
– Corporate finance	5,688	4,917
	49,452	42,012
Underwriting income and placing commission		
– Corporate finance	16,230	42,749
Management fee and service fee income		
– Asset management	28,105	42,219
	93,787	126,980
<b><i>Revenue from other sources</i></b>		
Interest income		
– Asset management	1,532	965
– Sales and trading business	15,042	24,759
– Corporate finance	–	450
– Others	522	707
	17,096	26,881
Investment income	92,563	38,024
	203,446	191,885

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Analysis of the disaggregate revenue from contracts with customers by major service lines is as follows:

	Asset management <i>HK\$'000</i>	Sales and trading business <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended 31 December 2025</b>				
<b>Type of services</b>				
Brokering service	–	32,185	–	32,185
Underwriting and placing service	–	–	16,230	16,230
Corporate finance service	–	–	5,688	5,688
Asset management service	39,684	–	–	39,684
<b>Total revenue from contracts with customers</b>	<b>39,684</b>	<b>32,185</b>	<b>21,918</b>	<b>93,787</b>
<b>Geographical markets</b>				
Hong Kong	14,765	32,186	21,918	68,869
Mainland China	24,918	–	–	24,918
<b>Total revenue from contracts with customers</b>	<b>39,683</b>	<b>32,186</b>	<b>21,918</b>	<b>93,787</b>
<b>Timing of revenue recognition</b>				
At a point in time	–	32,186	16,230	48,416
Over time	39,683	–	5,688	45,371
<b>Total revenue from contracts with customers</b>	<b>39,683</b>	<b>32,186</b>	<b>21,918</b>	<b>93,787</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Analysis of the disaggregate revenue from contracts with customers by major service lines is as follows:  
(Continued)

	Asset management <i>HK\$'000</i>	Sales and trading business <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended 31 December 2024</b>				
<b>Type of services</b>				
Brokering service	–	23,207	–	23,207
Underwriting and placing service	–	–	42,749	42,749
Corporate finance service	–	–	4,917	4,917
Asset management service	56,107	–	–	56,107
<b>Total revenue from contracts with customers</b>	<b>56,107</b>	<b>23,207</b>	<b>47,666</b>	<b>126,980</b>
<b>Geographical markets</b>				
Hong Kong	11,139	23,207	47,666	82,012
Mainland China	44,968	–	–	44,968
<b>Total revenue from contracts with customers</b>	<b>56,107</b>	<b>23,207</b>	<b>47,666</b>	<b>126,980</b>
<b>Timing of revenue recognition</b>				
At a point in time	–	23,207	44,945	68,152
Over time	56,107	–	2,721	58,828
<b>Total revenue from contracts with customers</b>	<b>56,107</b>	<b>23,207</b>	<b>47,666</b>	<b>126,980</b>

The following table shows the amounts of revenue recognised in current reporting period that were included in the deferred revenue at the beginning of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue recognised that was included in deferred revenue at the beginning of the reporting period:		
Corporate finance service	6,625	3,922

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

The Group applied the practical expedient for contracts with original expected duration less than one year and did not disclose the aggregate amount of transaction price allocated to performance obligations of the brokering, underwriting and placing, corporate finance and asset management services that are unsatisfied (or partly unsatisfied). The performance fee arising from asset management services which are constrained as at 31 December 2025 and 2024 has been excluded from the transaction price and hence not disclosed.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Other income</b>		
Investment income	–	4,188
Government grants ( <i>note</i> )	–	1,576
Others	46	183
	<b>46</b>	<b>5,947</b>

*Note:* During year ended 31 December 2024, the Group received government grants to support enterprises in business innovation and corporate transformation in Shanghai, Mainland China. There were no unfulfilled conditions or contingencies relating to these grants in 2025.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Other gains/(losses), net</b>		
Net exchange gains/(losses)	15,281	(10,011)
Gain on disposal of financial assets at fair value through profit or loss, net	–	33
Gain on disposal of debt instruments at fair value through other comprehensive income, net	7,189	111
Gain/(loss) from changes in fair value of financial assets at fair value through profit or loss, net	1,929	(29)
Loss on disposal of subsidiaries ( <i>note 35</i> )	–	(16,034)
Loss on disposal of property and equipment	–	(1)
	<b>24,399</b>	<b>(25,931)</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

### Segment information

The Group manages its businesses by divisions. Under HKFRS 8 *Operating Segments*, and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. Asset management – provision of advisory services and related auxiliary services on fund management, managing private funds and providing other related proprietary investment.
2. Sales and trading business – provision of brokering services in securities, equity-linked products, unit trusts and stock options commodities and futures contracts traded in Hong Kong and selected overseas markets, underwriting, placing and margin financing services to those brokering clients.
3. Corporate finance – provision of corporate finance services including underwriting and advisory services to companies listed or seeking listing in Hong Kong or other stock exchanges and other unlisted corporates, on both equity and debt financing.
4. Fixed income investment – complementing bond underwriting business and investing in Chinese-funded offshore bonds, with hold-to-maturity as the key investment strategy.

The Group's senior executive management monitors the assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates and joint ventures and other unallocated head office and corporate assets. Segment liabilities include trade payables, accruals and borrowings attributable to the operating activities of the individual segments with the exception of unallocated head office and corporate liabilities.

The measures used for reporting segment results are earnings before finance costs and taxes ("EBIT"). Inter-segment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. To arrive at the Group's loss for the year, the Group's reportable segment results are further adjusted for items not specifically attributed to individual segments, such as share of profits of associates and joint ventures, finance costs, other head office expenses and other income.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

### Segment information (Continued)

Year ended 31 December 2025

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

	Asset management <i>HK\$'000</i>	Sales and trading business <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Fixed income investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	16,487	47,227	21,918	92,563	178,195
Revenue from joint ventures (note(i))	19,752	–	–	–	19,752
Revenue from an associate (note (i))	5,078	–	–	–	5,078
Reportable segment revenue	41,317	47,227	21,918	92,563	203,025
Reportable segment results (EBIT)	10,882	8,436	4,274	68,022	91,614
<u>Other segment information</u>					
Interest income from bank deposits	1,005	10,122	364	–	11,491
Interest expense	(1,308)	(3,202)	–	(33,436)	(37,946)
Depreciation of property and equipment	(2)	(659)	(7)	–	(668)

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Asset management <i>HK\$'000</i>	Sales and trading business <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Fixed income investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	149,404	442,382	27,291	1,316,303	1,935,380
Additions to non-current segment assets during the year (note (ii))	52	929	46	–	1,027
Reportable segment liabilities	114,777	208,997	4,657	1,027,746	1,356,177

Notes:

- (i) The revenue represents service fee income received by the Group from an associate or joint ventures. See note 36(ii) and 36(iv).
- (ii) Additions to non-current segment assets consist of property and equipment and other assets.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

### Segment information (Continued)

Year ended 31 December 2024

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

	Asset management <i>HK\$'000</i>	Sales and trading business <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Fixed income investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	53,746	47,966	48,116	38,736	188,564
Revenue from an associate ( <i>note (i)</i> )	3,301	–	–	–	3,301
Reportable segment revenue	57,047	47,966	48,116	38,736	191,865
Reportable segment results (EBIT)	21,432	(20,887)	26,449	16,573	43,567
<u>Other segment information</u>					
Interest income from bank deposits	940	15,335	450	–	16,725
Interest expense	(2,476)	(7,509)	–	(19,713)	(29,698)
Depreciation of property and equipment	(290)	(790)	(10)	–	(1,090)

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Asset management <i>HK\$'000</i>	Sales and trading business <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Fixed income investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	124,485	427,380	22,783	619,400	1,194,048
Additions to non-current segment assets during the year ( <i>note (ii)</i> )	6	2,754	–	–	2,760
Reportable segment liabilities	105,711	192,620	11,951	444,390	754,672

Notes:

- (i) The revenue represents service fee income received by the Group from an associate. See note 36(ii).
- (ii) Additions to non-current segment assets consist of property and equipment and other assets.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

### Reconciliations of reportable revenue

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>		
Reportable segment revenue	203,025	191,865
Unallocated head office and corporate revenue	421	20
Consolidated revenue	<b>203,446</b>	191,885

### Reconciliations of reportable results

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Results</b>		
Reportable segment profit (EBIT)	91,614	43,567
Share of profits of joint ventures, net	1,560	–
Share of profits of associates	15,388	20,700
Finance costs	(39,502)	(30,450)
Unallocated head office and corporate income/(expenses)	14,362	(2,802)
Consolidated profit before taxation	83,422	31,015
Income tax expense	(2,992)	(20,680)
Profit for the year	<b>80,430</b>	10,335

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

### Reconciliations of reportable assets and liabilities

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Assets</b>		
Reportable segment assets	1,935,380	1,194,048
Elimination of inter-segment receivables	(4,366)	(4,529)
	<b>1,931,014</b>	<b>1,189,519</b>
Interests in joint ventures	30,948	29,388
Interests in associates	368,170	430,328
Deferred tax assets	24	63
Unallocated head office and corporate assets	253,768	214,896
Consolidated total assets	<b>2,583,924</b>	<b>1,864,194</b>
<b>Liabilities</b>		
Reportable segment liabilities	1,356,177	754,672
Elimination of inter-segment payables	(4,366)	(4,529)
	<b>1,351,811</b>	<b>750,143</b>
Tax payable	59	40
Unallocated head office and corporate liabilities	171,660	178,215
Consolidated total liabilities	<b>1,523,530</b>	<b>928,398</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

### Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers (including its associates and joint ventures) and (ii) the Group's property and equipment, intangible assets, right-of-use assets, other assets, interests in joint ventures and interests in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of property and equipment; and the location of the core operations in the case of other specified non-current assets.

	Revenue from external customers		Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	176,429	143,209	109,350	149,180
Mainland China	27,017	45,355	397,821	333,695
	<b>203,446</b>	188,564	<b>507,171</b>	482,875

No customers (2024: nil) contributed over 10% to the total revenue of the Group during the year.

## 6. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Note	2025 HK\$'000	2024 HK\$'000
Salaries and allowances		51,057	52,453
Defined contribution plans	27	2,289	2,744
		<b>53,346</b>	55,197

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 7(a). (REVERSAL OF IMPAIRMENT)/ IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Impairment loss on financial assets under expected credit loss model, net of reversal		
– debt instruments at fair value through other comprehensive income ( <i>note 14</i> )	11,571	(2,883)
– trade and other receivables ( <i>note 21</i> )	(16,290)	20,252
– amount due from joint ventures ( <i>note 17</i> )	140	140
	<b>(4,579)</b>	17,509

## 7(b). OTHER OPERATING EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditors' remuneration	802	1,077
Advisory fee expenses	9,223	3,948
Bank charges	339	1,014
Data service fee	5,961	6,541
Depreciation of property and equipment ( <i>note 13</i> )	2,264	2,929
Depreciation of right-of-use assets ( <i>note 16</i> )	13,833	16,646
Employee relation expense	1,641	526
Entertainment	250	497
Insurance	3,727	2,798
Legal and professional fee	1,296	2,289
Printing and stationery fee	342	317
Property management and other related fee	3,076	2,703
Repair and maintenance fee	9,322	3,249
Service fee	1,583	1,470
Staff recruitment fee	27	174
Telecommunication fee	2,614	2,461
Written off of intangible asset	120	–
Others	5,988	2,157
	<b>62,408</b>	50,796

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 8. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on borrowings	38,182	29,698
Interest on lease liabilities ( <i>note 16</i> )	1,320	752
	<b>39,502</b>	<b>30,450</b>

## 9. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the year ended 31 December 2025 (2024: no Hong Kong Profits Tax was provided for the year ended 31 December 2024 as the Group did not derive any estimated assessable profits).

Under the Enterprise Income Tax Law of the PRC, the Corporate Income Tax Rate for domestic entities in the PRC is 25% for the current and prior years.

The amount of taxation charged to the consolidated statement of profit or loss:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current taxation		
– Hong Kong Profits Tax	19	–
– PRC Corporate Income Tax	2,580	10,595
– Withholding tax on profits of a non-resident in the PRC	–	10,007
	<b>2,599</b>	<b>20,602</b>
Under-provision in prior years		
– PRC Corporate Income Tax	354	–
Deferred taxation ( <i>note 20(b)</i> )		
– Hong Kong	39	78
	<b>2,992</b>	<b>20,680</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 9. INCOME TAX EXPENSE (CONTINUED)

A reconciliation between tax expense and accounting profit at applicable tax rates for the jurisdiction where the operations of the Group are substantially based is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation	83,422	31,015
Statutory tax on profit before taxation, calculated at a tax rate of 16.5% (2024: 16.5%)	13,765	5,117
Effect of higher tax rate enacted by PRC tax authority	–	3,333
Tax effect of share of profits of associates	(2,704)	(3,354)
Tax effect of income not taxable for tax purposes	(4,421)	(6,523)
Tax effect of expenses not deductible for tax purposes	1,240	7,759
Utilisation of previously unrecognised tax losses and other temporary differences	(11,301)	(4,869)
Tax effect of tax losses net recognised	3,480	9,210
Under-provision in prior years	354	–
Withholding tax on profits of a non-resident in the PRC	2,579	10,007
Income tax expense	2,992	20,680

## 10. DIVIDENDS

The Board proposed a final dividend of HK\$0.05 per ordinary share for the year ended 31 December 2025 (2024: nil). The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and not reflected as dividend payable in the financial statements.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Proposed final dividend – HK5 cents (2024: nil) per ordinary share	32,060	–

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 11. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to equity holders of the Company of HK\$80,430,000 (2024: HK\$10,335,000) and 641,205,600 ordinary shares (2024: 641,205,600 ordinary shares) in issue during the year, calculated as follows:

#### Profit attributable to equity holders of the Company

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year attributable to equity holders of the Company	80,430	10,335

#### Number of ordinary shares

	2025	2024
Issued ordinary shares at 1 January and 31 December	641,205,600	641,205,600

### (b) Diluted earnings per share

The diluted earnings per share for both years are the same as the respective basic earnings per share because there were no potential dilutive ordinary shares during both the current and prior years.

## 12. INTANGIBLE ASSETS

	Stock Exchange trading rights <i>HK\$'000</i>	Futures Exchange trading rights <i>HK\$'000</i>	Club membership <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost and carrying amount</b>				
At 1 January 2024, 31 December 2024 and 1 January 2025	913	406	120	1,439
Written off	–	–	(120)	(120)
At 31 December 2025	913	406	–	1,319

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 13. PROPERTY AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office and computer equipment and computer software HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>Cost</b>					
At 1 January 2024	3,990	2,048	32,676	200	38,914
Additions	–	–	1,363	–	1,363
Disposal	–	–	(8)	–	(8)
Disposal of subsidiaries (note 35)	(750)	(109)	(1,700)	–	(2,559)
Exchange difference	(27)	(4)	(60)	–	(91)
At 31 December 2024 and 1 January 2025	3,213	1,935	32,271	200	37,619
Additions	79	–	1,312	–	1,391
Disposal	(3,292)	(1,458)	(3,727)	–	(8,477)
At 31 December 2025	–	477	29,856	200	30,533
<b>Accumulated depreciation</b>					
At 1 January 2024	3,560	1,998	25,485	200	31,243
Charge for the year (note 7(b))	154	25	2,750	–	2,929
Write-back on disposal	–	–	(7)	–	(7)
Disposal of subsidiaries (note 35)	(518)	(85)	(1,470)	–	(2,073)
Exchange difference	(16)	(3)	(49)	–	(68)
At 31 December 2024 and 1 January 2025	3,180	1,935	26,709	200	32,024
Charge for the year (note 7(b))	–	3	2,261	–	2,264
Write-back on disposal	(3,180)	(1,461)	(3,754)	–	(8,395)
At 31 December 2025	–	477	25,216	200	25,893
<b>Net book value</b>					
At 31 December 2025	–	–	4,640	–	4,640
At 31 December 2024	33	–	5,562	–	5,595

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 14. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Listed debt investments with fixed interest	1,304,108	619,114

As at 31 December 2025 and 2024, an analysis of the ending balance of the carrying amount in debt instruments at fair value through other comprehensive income (“FVOCI”) subject to expected credit losses (“ECLs”) is as follows:

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Fair value as at 31 December 2025	1,304,108	–	–	1,304,108
Fair value as at 31 December 2024	619,114	–	–	619,114

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remain at fair value. Instead, an amount equal to the ECLs that would arise if the assets were measured at amortised cost is recognised in other comprehensive income as an accumulated impairment allowance, with a corresponding charge to profit or loss.

During the year, an impairment loss of HK\$11,571,000 (2024: an reversal of impairment loss of HK\$2,883,000 was recognised in profit or loss and an impairment allowance of HK\$249,000 (2024: HK\$130,000) previously recognised has been written off upon derecognition of the financial assets. As at 31 December 2025, an impairment allowance of HK\$13,072,000 (2024: HK\$1,750,000) was provided.

The listed debt investments are expected to be recoverable within one year and are, therefore classified as current assets in the consolidated statement of financial position. An analysis of the maturity profile of listed debt investments of the Group analysed by the remaining tenor from the end of the reporting period to the contractual maturity date is as follows:

	Within 1 year <i>HK\$'000</i>	Between 1 and 2 years <i>HK\$'000</i>	Between 2 and 5 years <i>HK\$'000</i>	Overdue <i>HK\$'000</i>	Total <i>HK\$'000</i>
31 December 2025	255,805	662,096	386,207	–	1,304,108
31 December 2024	63,908	121,454	433,752	–	619,114

Listed debt investments of HK\$287,258,000 (2024: HK\$59,962,000) were collateralised against the borrowings under repurchase agreements (note 26(b)).

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Classified as current assets:		
– Listed fund investments	52,694	11,671
– Unlisted equity securities	–	1
	–	11,672
	52,694	11,672

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 16. LEASES

### The Group as a lessee

As at 31 December 2025, the Group leases offices for its operations. Lease contracts are entered into for fixed term of 5 years (2024: 3 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

### Right-of-use assets and lease liabilities

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

	Right-of-use assets <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>
At 1 January 2024	26,804	28,645
Depreciation charge (note 7 (b))	(16,646)	–
Interest expense (note 8)	–	752
Payments	–	(19,116)
Disposal of subsidiaries (note 35)	(2,778)	(3,289)
At 31 December 2024 and 1 January 2025	7,380	6,992
Depreciation charge (note 7 (b))	(13,833)	–
Addition	37,607	37,607
Interest expense (note 8)	–	1,320
Payments	–	(12,824)
At 31 December 2025	<b>31,154</b>	<b>33,095</b>

At 31 December 2025 and 2024, the lease liabilities are analysed into:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current portion	6,836	6,992
Non-current portion	26,259	–
	<b>33,095</b>	6,992

The maturity analysis of lease liabilities is disclosed in Note 34.1(c) to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 17. INTERESTS IN JOINT VENTURES / AMOUNTS DUE FROM JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Interests in joint ventures	30,948	29,388

Details of the Group's interest in unlisted joint ventures are as follows:

Name	Place of establishment	Particulars of shares capital held	Effective equity interest to the Group	Principal activity
盛雲達 (上海) 投資諮詢有限公司 ("盛雲達")(note)	The PRC	RMB10,000,000	50%	Provision of consultancy services
盛達領先 (深圳) 私募股權基金 管理有限公司 ("盛達領先") (note)	The PRC	RMB6,500,000	50%	Provision of consultancy services

Note: 盛雲達 and 盛達領先 are limited liability companies (equity joint venture enterprise) registered under the PRC law. Both companies were subsidiaries of the Group and became joint ventures during 2024 (note 35).

As at 31 December 2025, the amounts due from joint ventures included in the Group's current assets represents gross amounts of HK\$146,475,000 (2024: HK\$141,432,000) due from 盛雲達 and HK\$1,030,000 (2024: HK\$8,110,000) due from 盛達領先, both are unsecured, interest-free and repayable on demand. An impairment allowance of HK\$280,000 has been provided for the amounts due from joint ventures as at 31 December 2025 (2024: HK\$140,000).

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 17. INTERESTS IN JOINT VENTURES / AMOUNTS DUE FROM JOINT VENTURES (CONTINUED)

### Summarised financial information of joint ventures

Summarised financial information in respect of the Group's joint ventures is set out below.

The joint ventures have a reporting date of 31 December and are accounted for using the equity method in these financial statements prepared in accordance with HKFRS Accounting Standards.

盛雲達

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets		
– Bank balances and cash	10,862	65,794
– Other current assets	170,831	91,518
	<b>181,693</b>	157,312
Non-current assets		
– Financial assets at fair value through profit or loss		
– Level 3	20,873	26,357
– Other non-current assets	6,953	1,787
	<b>27,826</b>	28,144
Current liabilities	(169,231)	(149,317)
Non-current liabilities	–	(542)
Net assets	<b>40,288</b>	35,597
Proportion of the Group's ownership interest	<b>50%</b>	50%
Carrying amount of the Group's interest	<b>20,144</b>	17,799

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 17. INTERESTS IN JOINT VENTURES / AMOUNTS DUE FROM JOINT VENTURES (CONTINUED)

### Summarised financial information of joint ventures (Continued)

盛達領先

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets		
– Bank balances and cash	21,272	21,422
– Other current assets	266	7,145
	<b>21,539</b>	28,567
Non-current assets		
– Financial assets at fair value through profit or loss		
– Level 3	3,790	3,626
– Other non-current assets	472	1,477
	<b>4,262</b>	5,103
Current liabilities	<b>(3,624)</b>	(9,874)
Non-current liabilities	<b>(569)</b>	(618)
Net assets	<b>21,608</b>	23,178
Proportion of the Group's ownership interest	<b>50%</b>	50%
Carrying amount of the Group's interest	<b>10,804</b>	11,589

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interests in associates	368,170	430,328
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Share of net assets at 1 January	430,328	449,646
Share of profits for the year, net	15,388	20,700
Share of other comprehensive income for the year	3,627	1,836
Dividend received from associates	(4,414)	(41,854)
Redemption of an associate	(76,759)	–
	(62,158)	(19,318)
Share of net assets at 31 December	368,170	430,328

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

The Group's interests in its principal associates, all of which are unlisted, are as follows:

Name	Particulars of issued shares held	Place of incorporation	Effective equity interest to the Group		Principal activity
			2025	2024	
Sino-Rock Investment Management Company Limited ("Sino-Rock") (note (i))	18,000,000 ordinary shares	Hong Kong	27.59%	27.59%	Investment holding and provision of capital management and consultancy services
CPI Investment Holdings Limited ("CPHL")	4,000,000 ordinary shares of HK\$1 each	Cayman Islands	40%	40%	Fund management
CPI Absolute Return Fund ("CPIAR Fund") (note (ii))	Nil (2024: 100,000 units of US\$100 each)	Cayman Islands	–	16.43%	Investment fund
Cinda International Investment Holdings Limited ("CIH")	2,820,000 Class-A shares	British Virgin Islands	47%	47%	Investment holding

Notes:

- (i) As at 31 December 2025, the Group held 18,000,000 ordinary shares (2024: 18,000,000 ordinary shares), representing 27.59% (2024: 27.59%) equity interests in Sino-Rock, a private company incorporated in Hong Kong which is considered as an associate of the Group, and principally engaged in investment holding and provision of capital management and consultancy services. The Group recognised Sino-Rock as a significant investment for the years ended 31 December 2025 and 2024. The Group's share of net assets in Sino-Rock was HK\$316,874,000 at 31 December 2025 (2024: HK\$304,307,000), which considered as fair value of the investment and accounted for approximately 12% (2024: 16%) of the total assets of the Group. The aggregate cost of investment in Sino-Rock was HK\$107,014,000 (2024: HK\$107,014,000). The Group treats Sino-Rock as a long-term investment and a business partner in its asset management business.
- (ii) It was considered that the Group had significant influence over CPIAR Fund through the Group's significant influence over the investment manager of CPIAR Fund which had wide discretion over the relevant activities of CPIAR Fund. Note 4(a)(i) provides more details about the management judgement. During the year, CPIAR Fund had been fully redeemed and ceased to be recorded as an associate upon completion of redemptions.

### Summarised consolidated financial information of associates

Summarised consolidated financial information in respect of the Group's material associates is set out below.

The associates have a reporting date of 31 December and are accounted for using the equity method in these consolidated financial statements prepared in accordance with HKFRS Accounting Standards.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

### Summarised consolidated financial information of associates (Continued)

#### *Sino-Rock*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets		
– Bank balances and cash	220,944	135,702
– Other current assets	74,118	123,671
	<b>295,062</b>	259,373
Non-current assets		
– Financial assets at fair value through profit or loss		
– Level 1 and 2	156,546	135,977
– Level 3	675,418	700,400
– Other non-current assets	143,855	143,449
	<b>975,819</b>	979,826
Current liabilities	(60,938)	(66,150)
Non-current liabilities	(51,776)	(61,022)
Net assets	<b>1,158,167</b>	1,112,027
Revenue and net gains	<b>114,340</b>	165,068
Profit for the year	<b>47,505</b>	62,670
Other comprehensive income for the year	<b>13,146</b>	6,603
Total comprehensive income for the year	<b>60,651</b>	69,273
Dividend received from the associate	<b>(4,414)</b>	(4,414)

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

### Summarised consolidated financial information of associates (Continued)

A reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

	2025 HK\$'000	2024 HK\$'000
Net assets of Sino-Rock	1,158,167	1,112,027
Non-controlling interests	(9,657)	(9,067)
Net assets attributable to shareholders of Sino-Rock	1,148,510	1,102,960
Proportion of the Group's ownership interest in Sino-Rock	27.59%	27.59%
Carrying amount of the Group's interest in Sino-Rock	316,874	304,307

### CPHL

	2025 HK\$'000	2024 HK\$'000
Current assets		
– Bank balances and cash	6,076	8,690
– Financial assets at fair value through profit or loss	122,107	123,486
– Trade and other receivables	12,898	115,360
	141,081	247,536
Non-current assets	21,213	8,817
Current liabilities	(37,369)	(137,120)
Net assets	124,925	119,233
Revenue and net gains	56,024	61,571
Profit and total comprehensive income for the year	6,817	13,454
Dividend received from the associate	–	(37,440)

A reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

	2025 HK\$'000	2024 HK\$'000
Net assets of CPHL	124,925	119,233
Proportion of the Group's ownership interest in CPHL	40%	40%
Carrying amount of the Group's interest in CPHL	49,969	47,693

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

### Summarised consolidated financial information of associates (Continued)

#### *CPIAR Fund*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets		
– Bank balances and cash	–	22,231
– Financial assets at fair value through profit or loss	–	476,784
– Other current assets	–	3,992
	–	503,007
Current liabilities	–	(34,342)
Net assets	–	468,665
Revenue and net gains	5,598	16,842
(Loss)/profit and total comprehensive (expense)/income for the year	(3,163)	8,322

A reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statement is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net assets of CPIAR Fund	–	468,665
Proportion of the Group's ownership interest in CPIAR Fund	Nil	16.43%
Carrying amount of the Group's interest in CPIAR Fund	–	77,002

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

### Summarised consolidated financial information of associates (Continued)

#### *CPIAR Fund (Continued)*

On 14 July 2025, the Company received the confirmation note from Apex Fund Services (Cayman) Limited, which is the fund administrator of CPIAR Fund, that 40,000 non-voting redeemable shares of US\$0.001 each of CPIAR Fund (“Subscription Shares”) have been redeemed at an aggregate redemption price of approximately US\$3,910,000 (equivalent to approximately HK\$30,878,000) (“First Redemption”).

After completion of the First Redemption, the Group held 60,000 Subscription Shares, representing approximately 12.22% of the total net asset value of the issued Subscription Shares.

Subsequently, on 13 August 2025, the Company received the confirmation note from Apex Fund Services (Cayman) Limited (as described above), that 60,000 Subscription Shares have been redeemed at an aggregate redemption price of approximately US\$5,810,000 (equivalent to approximately HK\$45,881,000) (“Second Redemption”). After completion of the Second Redemption, the Group does not hold any equity interest in CPIAR Fund, as a result CPIAR Fund has been derecognised as an associate of the Company.

#### *CIIH*

At 31 December 2025, the carrying amount of the Group’s interest in CIIH amount to HK\$1,327,000 (2024: HK\$1,327,000). The Group recognised a profit and total comprehensive income of nil (2024: profit and total comprehensive income of HK\$15,000) from the interest in CIIH for the year ended 31 December 2025.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 19. OTHER ASSETS

	2025 HK\$'000	2024 HK\$'000
Stock Exchange stamp duty deposit	500	250
Stock Exchange Fidelity Fund deposit	100	100
Stock Exchange Compensation Fund deposit	100	100
Guarantee Fund deposits with the Hong Kong Securities Clearing Company Limited	14,331	4,825
Clearing link deposits with Hong Kong Securities Clearing Company Limited	239	268
Admission Fee for Additional Seat with Hong Kong Securities Clearing Company Limited	100	–
Statutory deposits and deposits with the HKFE Clearing Corporation Limited (“HKCC”)	1,500	1,500
Reserve fund deposit with the SEHK Options Clearing House Limited (“SECH”)	1,545	1,581
Rental deposits	2,481	–
Others	20	120
	<b>20,916</b>	<b>8,744</b>

## 20. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### (a) Tax payable

	2025 HK\$'000	2024 HK\$'000
Provision for – Hong Kong Profits Tax	59	40

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 20. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

### (b) Deferred tax

The movements in deferred tax (assets)/liabilities during the years are as follows:

	Accelerated tax depreciation <i>HK\$'000</i>	Tax losses <i>HK\$'000</i>	Impairment losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	1,599	(1,599)	(141)	(141)
(Credited)/charged to consolidated statement of profit or loss ( <i>note 9</i> )	(484)	484	78	78
At 31 December 2024 and 1 January 2025	1,115	(1,115)	(63)	(63)
Charged to consolidated statement of profit or loss ( <i>note 9</i> )	1,909	(1,909)	39	39
At 31 December 2025	<b>3,024</b>	<b>(3,024)</b>	<b>(24)</b>	<b>(24)</b>

Apart from the above, no other deferred tax asset is recognised in respect of the unused tax losses as the management of the Group considers that it is not probable that future assessable profits will be available to offset against the unrecognised losses.

The Group has unrecognised tax losses and temporary differences arising from depreciation of property and equipment in excess of related depreciation allowances as at 31 December 2025 of HK\$289,255,000 (2024: HK\$358,389,000) and HK\$13,718,000 (2024: HK\$2,147,000), respectively. These tax losses have no expiry dates.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 21. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables from clients arising from		
– corporate finance (note (i))	5,309	546
– securities brokering (note (ii))	210,256	122,353
– asset management (note (iii))	1,593	8,175
Margin and other trade-related deposits with brokers and financial institutions arising from (note (iv))		
– commodities and futures brokering	549	1,193
– securities brokering	13,413	1,695
Margin loans arising from securities brokering (note (v))	51,213	91,111
Trade receivables from clearing houses arising from securities brokering (note (vi))	14,528	72,636
Less: impairment allowances (note (vii))	(13,072)	(29,363)
<b>Total trade receivables (note (viii))</b>	<b>283,789</b>	<b>268,346</b>
Deposits	13,286	5,112
Other receivables (note (ix))	56,523	39,393
<b>Total trade and other receivables</b>	<b>353,598</b>	<b>312,851</b>

The carrying amounts of trade and other receivables approximate to their fair values. All of the trade and other receivables, other than margin loans arising from securities brokering, are expected to be recovered or realised within one year.

Notes:

- (i) For trade receivables related to corporate finance, no impairment allowance was provided for the year (2024: nil). The settlement terms of trade receivables from corporate finance clients are usually 30 days from the date of invoice. The relevant ageing analysis based on the date of invoice at the reporting date was as follows:

	2025 HK\$'000	2024 HK\$'000
Current	3,076	–
30-60 days	1,688	73
Over 60 days	545	473
	<b>5,309</b>	<b>546</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

- (ii) For trade receivables from clients arising from securities brokering, the amounts represent outstanding unsettled trades due from clients as at the year end. It normally takes 2 to 3 days to settle after the trade date of those transactions. As at 31 December 2025, it included overdue balances of HK\$16,151,000 (2024: HK\$10,430,000). These overdue balances are either subsequently settled after the reporting date or fully collateralised by listed securities. The directors of the Company did not consider that there was a significant change in credit quality of the balance. No impairment allowance has been provided.
- (iii) For trade receivables from asset management, no impairment allowance was provided for the year (2024: nil). The settlement terms of trade receivables from asset management clients are usually 30 days from the date of invoice.

As at 31 December 2025, the Group had trade receivables from asset management from its fellow subsidiaries and ultimate holding company, amounted to HK\$1,340,000 (2024: HK\$4,946,000) in total.

- (iv) The settlement terms of margin and other deposits from brokers and financial institutions are at specific agreed terms. Clients trading in commodities and futures contracts and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For commodities and futures contracts, initial margins are required before trading and thereafter clients are required to keep the equity position at a prescribed maintenance margin level. The effective interest rate for margins and other trade-related deposits is 0.01% (2024: 0.01%) per annum.

In addition, margin and trade-related deposits are deposited with high-credit-quality financial institutions. No impairment allowance has been provided as the related allowances were considered to be immaterial and there was no credit default history.

- (v) Margin clients of the securities brokering business are repayable on demand and are required to pledge their shares to the Group for credit facilities for securities trading. The effective interest rates ranged from 8% to 13% (2024: 8% to 13%) per annum.

The amount of credit facilities granted to margin clients is determined by the discounted value of shares acceptable by the Group after making reference to industry practice. As at 31 December 2025, the fair value of shares accepted as collateral amounted to HK\$151,206,000 (2024: HK\$174,605,000) and the fair value of the majority of clients' listed securities exceeds the carrying amount of those individual loans to margin clients.

Credits are extended to brokering clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and the collateral available to the Group.

Special approvals from the Group were granted to those clients whose fair values of collaterals were less than the carrying amount of their individual loans by considering their historical repayment records, credit quality of those margin clients and other factors affecting the market prices of collateral. Credit risks from those margin clients were considered to be minimal.

The Group is allowed to use clients' securities up to the amount of 140% of the loans to margin clients as collateral of the Group's bank facilities (with client's consent). However, no securities held as collateral have been repledged to secure the Group's bank facilities for the years ended 31 December 2025 and 2024.

As at 31 December 2025, the Group had concentration of credit risk of 59.6% (2024: 65%) of the trade receivables from margin loans due from the five largest margin clients.

During the year, reversal of impairment loss of HK\$16,290,000 was credited to profit or loss (2024: impairment of HK\$15,577,000 was charged to profit or loss). As at 31 December 2025, impairment allowances of HK\$13,073,000 (2024: HK\$29,363,000) for the receivables from margin clients was provided. No ageing analysis is disclosed as in the opinion of the management, the ageing analysis does not give additional value in view of the nature of revolving margin loans.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

- (vi) The settlement terms of trade receivables from clearing houses are usually 1 to 2 days after the trade date.

Furthermore, the Group maintains designated accounts with SECH and HKCC as a result of its normal business transactions. At 31 December 2025, the designated accounts with SECH and HKCC not otherwise dealt with in the consolidated financial statements amounted to HK\$8,217,000 (2024: HK\$6,515,000) and HK\$14,527,000 (2024: HK\$11,841,000) respectively.

- (vii) The movements in the impairment allowances for trade and other receivables during the year are as follows:

	<i>HK\$'000</i>
At 1 January 2024	13,786
Provision of impairment losses ( <i>note 7(a)</i> )	20,252
Written off	(4,675)
At 31 December 2024 and 1 January 2025	29,363
Reversal of impairment losses ( <i>note 7(a)</i> )	(16,291)
At 31 December 2025	<b>13,072</b>

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Simplified approach <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b><i>Expected credit losses</i></b>					
As at 1 January 2024	857	–	12,929	–	13,786
Change due to financial instrument recognised as at beginning of the year					
– Written off (reversal of impairment)	(4,675)	–	–	–	(4,675)
– Remeasurement of ECL	4,201	–	16,051	–	20,252
As 31 December 2024 and 1 January 2025	383	–	28,980	–	29,363
Change due to financial instrument recognised as at beginning of the year					
– Written off	(239)	–	(16,052)	–	(16,291)
As 31 December 2025	144	–	12,928	–	13,072

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(vii) (continued)

As at 31 December 2025 and 2024, an analysis of the gross amount of trade and other receivables and their expected credit losses is as follows:

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
<b>Gross amount as at 31 December 2025</b>					
Trade receivables from clients	217,158	–	–	–	217,158
Margin and other trade-related deposits with brokers and financial institutions	13,962	–	–	–	13,962
Margin loans	38,284	–	12,929	–	51,213
Trade receivables from clearing houses	14,528	–	–	–	14,528
Deposits	13,286	–	–	–	13,286
Other receivables	56,523	–	–	–	56,523
	<b>353,741</b>	<b>–</b>	<b>12,929</b>	<b>–</b>	<b>366,670</b>
<b>Expected credit losses as at 31 December 2025</b>					
Trade receivables from clients	–	–	–	–	–
Margin and other trade-related deposits with brokers and financial institutions	–	–	–	–	–
Margin loans	(143)	–	(12,929)	–	(13,072)
Trade receivables from clearing houses	–	–	–	–	–
Deposits	–	–	–	–	–
Other receivables	–	–	–	–	–
	<b>(143)</b>	<b>–</b>	<b>(12,929)</b>	<b>–</b>	<b>(13,072)</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(vii) (continued)

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
<b>Gross amount as at 31 December 2024</b>					
Trade receivables from clients	130,528	–	–	546	131,074
Margin and other trade-related deposits					
with brokers and financial institutions	2,888	–	–	–	2,888
Margin loans	51,311	100	39,700	–	91,111
Trade receivables from clearing houses	72,636	–	–	–	72,636
Deposits	5,112	–	–	–	5,112
Other receivables	39,393	–	–	–	39,393
	301,868	100	39,700	546	342,214
<b>Expected credit losses as at 31 December 2024</b>					
Trade receivables from clients	–	–	–	–	–
Margin and other trade-related deposits with					
brokers and financial institutions	–	–	–	–	–
Margin loans	(383)	–	(28,980)	–	(29,363)
Trade receivables from clearing houses	–	–	–	–	–
Deposits	–	–	–	–	–
Other receivables	–	–	–	–	–
	(383)	–	(28,980)	–	(29,363)

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(vii) (continued)

As at 31 December 2025 and 2024, an analysis the expected credit losses rate is as follows:

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	%	%	%	%	%
<b>Expected credit losses rate as at 31 December 2025</b>					
Margin loans arising from securities brokering	–	–	100	–	25.53
<b>Expected credit losses rate as at 31 December 2024</b>					
Margin loans arising from securities brokering	0.75	0.20	73.00	–	32.23

During the year ended 31 December 2025, the Group has recognised an impairment loss of Nil (2024: HK\$4,674,000) in respect of interest receivables (included in other receivables) relating to debt instruments at fair value through other comprehensive income which are credit-impaired. The amount has been subsequently written off upon derecognition of the related financial assets. No impairment allowance has been provided for the remaining trade and other receivables as the related allowances were considered immaterial and there was no credit default history.

- (viii) Other than the trade receivables from margin loans, the Group does not have any other significant concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, which are widely dispersed.
- (ix) As at 31 December 2025, the Group has other receivables from its associate, CPI (China) Management Limited, amounted to Nil (2024: HK\$9,170,000) relating to the consideration receivables on disposal of 盛雲達.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 22. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	2025 HK\$'000	2024 HK\$'000
Cash in hand	8	12
Bank balances		
– pledged deposits	12,912	12,758
– fixed deposits	–	164,180
– general accounts	256,207	111,268
	<b>269,119</b>	288,206
	<b>269,127</b>	288,218
By maturity:		
Bank balances		
– current and savings accounts	256,207	111,268
– fixed deposits (maturing within three months)	12,912	176,938
	<b>269,119</b>	288,206
Classified as:		
Pledged bank deposits	12,912	12,758
Bank balances and cash	256,207	275,460
	<b>269,119</b>	288,218

As at 31 December 2025, bank deposits amounting to HK\$12,912,000 (2024: HK\$12,758,000), which included a principal of HK\$12,000,000 (2024: HK\$12,000,000) plus accrued interest, have been pledged to banks as security for the provision of securities brokering facilities for a total amount of HK\$200 million (2024: HK\$200 million).

Certain subsidiaries of the Group maintained segregated trust accounts with authorised institutions as a result of their respective business activities. As at 31 December 2025, segregated trust accounts not dealt with in these consolidated financial statements amounted to HK\$566,829,000 (2024: HK\$1,471,018,000).

As at 31 December 2025, the bank balances and deposits bore interest at rates from 0.01% to 1.3% (2024: 0.01% to 3.5%) per annum. Included in bank balances and deposits are HK\$11,401,983.15 (2024: HK\$8,612,000) placed with a fellow subsidiary which is a licensed bank.

### Cash and cash equivalents

	2025 HK\$'000	2024 HK\$'000
Analysis of balances of cash and cash equivalents		
Cash in hand and at banks (excluding pledged bank deposits)	252,607	275,460

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 23. SHARE CAPITAL

	Number of shares	Nominal value HK\$'000
<b>Authorised share capital</b>		
Ordinary shares	1,000,000,000	100,000
<b>Issued and fully paid</b>		
Ordinary shares At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	641,205,600	64,121

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. In addition, subsidiaries of the Group licensed by the Securities and Futures Commission ("SFC") are obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules ("SF(FR)R") at all times.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. For the licensed subsidiaries, the Group ensures that each of them maintains a liquid capital level adequate to support the activities level with sufficient buffer to accommodate the increase in liquidity requirements arising from potential increases in business activities. SF(FR)R returns are filed to the SFC by the licensed subsidiaries on a monthly or semi-annually basis as required. During the current and prior years, all the licensed subsidiaries complied with the liquid capital requirements under the SF(FR)R.

The Group defined gearing ratio as net debt-to-adjusted capital ratio and monitors its capital structure based on it. For this purpose, the Group defines net debt as total debt (which includes borrowings, trade and other payables and lease liabilities) plus unaccrued proposed dividends, less bank balances and cash (including pledged bank deposits). Adjusted capital comprises all components of equity, less unaccrued proposed dividends.

Further, the Group strived to maintain highly liquid assets to prepare for any unexpected sudden changes in the market. As at the end of the reporting period, the current ratio was 142% (2024: 148%).

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 23. SHARE CAPITAL (CONTINUED)

### Capital management (Continued)

The net debt-to-adjusted capital ratios at 31 December 2025 and 2024 are as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Current liabilities</b>			
Trade and other payables	25	253,866	214,800
Borrowings	26	1,236,510	706,566
Lease liabilities	16	4,806	6,992
		<b>1,495,182</b>	<b>928,358</b>
<b>Non-current liabilities</b>			
Lease liabilities	16	28,289	–
Total debt		<b>1,523,471</b>	<b>928,358</b>
Proposed dividends		<b>32,060</b>	–
Less: Bank balances and cash (including pledged bank deposits)	22	<b>(269,119)</b>	<b>(288,218)</b>
Net debt		<b>1,286,412</b>	<b>640,140</b>
Total equity		<b>1,060,394</b>	<b>935,796</b>
Less: Proposed dividends		<b>(32,060)</b>	–
Adjusted capital		<b>1,028,334</b>	<b>935,796</b>
Adjusted net debt-to-capital ratio		<b>125.10%</b>	<b>68.41%</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>		
Intangible assets	–	120
Right of use assets	31,154	–
Investments in subsidiaries	500,877	500,877
Investments in joint ventures	29,388	29,388
Investments in associates	129,078	207,078
Other assets	690,497	737,463
<b>Current assets</b>		
Debt instruments at fair value through other comprehensive income	1,304,108	619,114
Financial assets at fair value through profit or loss	52,694	11,672
Amounts due from subsidiaries	30,287	25,919
Amounts due from joint ventures	147,226	149,402
Other receivables	70,574	51,028
Bank balances	37,800	86,381
	1,642,689	943,516
<b>Current liabilities</b>		
Amounts due to subsidiaries	163,658	189,177
Other payables	20,534	11,101
Borrowings	1,236,510	706,566
Lease liabilities	6,836	–
	1,427,538	906,844
<b>Net current assets</b>	215,151	36,672
<b>Total assets less current liabilities</b>	905,648	774,135

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (continued)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Capital and Reserves</b>		
Share capital	64,121	64,121
Other reserves	605,777	565,236
Retained earnings	209,491	144,778
<b>Total equity</b>	<b>879,389</b>	<b>774,135</b>
<b>Non-current Liabilities</b>		
Lease liabilities	26,259	–
	<b>905,648</b>	<b>774,135</b>

**Zhan Jiang**  
*Executive Director*

**Yan Qizhong**  
*Executive Director*

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

### Reserves

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of reserves during the years are set out below:

	The Company					Total HK\$'000
	Share premium* HK\$'000	Capital reserve* HK\$'000 (note(i))	Investment revaluation reserve* HK\$'000	Contributed surplus* HK\$'000 (note(ii))	(Accumulated losses)/ retained earnings HK\$'000	
At 1 January 2024	421,419	114,658	5,136	53,023	(112,125)	482,111
Profit for the year	–	–	–	–	256,903	256,903
Other comprehensive expenses	–	–	(29,000)	–	–	(29,000)
Total comprehensive income/ (expense) for the year	–	–	(29,000)	–	256,903	227,903
At 31 December 2024 and 1 January 2025	<b>421,419</b>	<b>114,658</b>	<b>(23,864)</b>	<b>53,023</b>	<b>144,778</b>	<b>710,014</b>
Profit for the year	–	–	–	–	64,713	64,713
Other comprehensive income	–	–	40,541	–	–	40,541
Total comprehensive income for the year	–	–	40,541	–	64,713	64,713
At 31 December 2025	<b>421,419</b>	<b>114,658</b>	<b>16,677</b>	<b>53,023</b>	<b>209,491</b>	<b>815,268</b>

#### Notes:

- (i) The capital reserve of the Group represents (i) capital contribution from the Company's shareholders, (ii) notional capital contribution from the Company's shareholders arising on acquisition of an associate, (iii) the difference between the nominal value of the shares issued by the Company and the nominal value of the deferred share capital of a subsidiary acquired in 2000 and (iv) the fair value of the actual or estimated number of unexercised share options granted to employees of the Company. All share options were cancelled in prior years.
- (ii) The contributed surplus arose as a result of the Group's reorganisation in 2000 and represents the difference between the aggregate net asset value of subsidiaries acquired and the nominal amount of the Company's shares issued for the acquisition.

\* These reserve accounts comprise the other reserves of HK\$605,777,000 (2024: HK\$565,236,000) in the statement of financial position of the Company.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 25. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables to margin clients arising from securities brokering	3,830	2,978
Trade payables to securities trading clients arising from securities brokering	166,186	182,793
Margin and other deposits payable to clients arising from commodity and futures brokering	424	1,071
Trade payables to brokers arising from securities brokering	32,178	988
Trade payables to clearing houses arising from securities brokering	13,437	638
<b>Total trade payables</b>	<b>216,055</b>	<b>188,468</b>
Accruals, provision and other payables	34,773	16,669
Deferred revenue	3,038	9,663
<b>Total trade and other payables</b>	<b>253,866</b>	<b>214,800</b>

The carrying amounts of trade and other payables approximate to their fair values. The majority of trade and other payables are expected to be settled within one year. The trade payables are aged within 30 days.

The settlement terms of payables to clearing houses and securities trading clients from the ordinary course of business of brokering in securities range from 2 to 3 days after the trade date of those transactions. Margin and other deposits received from clients for their trading of commodities and futures contracts, which exceeded the margin maintenance requirement, were repayable on demand.

As at 31 December 2025, included in other payables is an amount due to an associate, CPHL, of HK\$3,342,000 (2024: HK\$3,101,000). The amount is unsecured, interest-free and repayable on demand.

## 26. BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Classified as current liabilities:		
– Bank loans ( <i>note 26(a)</i> )	1,065,273	663,050
– Borrowings under repurchase agreements ( <i>note 26(b)</i> )	171,237	43,516
	<b>1,236,510</b>	<b>706,566</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 26. BORROWINGS (CONTINUED)

### (a) Bank loans

At 31 December 2025, the bank borrowings were repayable and carried interest with reference to the HIBOR (2024:HIBOR) as follows:

	2025 HK\$'000	2024 HK\$'000
Within a period not exceeding 1 year	1,065,273	663,050
Within a period of more than 1 year but not exceeding 2 years	–	–
Within a period of more than 2 years but not exceeding 5 years	–	–
Within a period of more than 5 years	–	–
	<b>1,065,273</b>	<b>663,050</b>

As at 31 December 2025, the Group had total banking facilities of HK\$2,067,300,000 (2024: HK\$1,482,000,000).

Among these banking facilities, HK\$1,967,300,000 (2024: HK\$1,382,000,000) was under specific performance obligation on Company's controlling shareholder which the current controlling shareholder shall hold over 50% directly or indirectly, of the entire issued share capital of the Company. In addition, HK\$200,000,000 (2024: HK\$200,000,000) of these banking facilities was further secured by pledged deposits with a principal of HK\$12,000,000 (2024: HK\$12,000,000).

As at 31 December 2025, HK\$987,380,000 (2024: HK\$566,271,000) was drawn from the banking facilities under the specific performance obligation. Among these banking facilities, HK\$348,290,000 was drawn in Renminbi (2024: HK\$222,271,000 was drawn in Renminbi).

As at 31 December 2025 and 2024, the Group has not utilised any of the banking facilities secured by the pledged deposits. The effective interest rate of the bank loans is also equal to the contracted interest rate.

### (b) Borrowings under repurchase agreements

The Group has entered into several repurchase agreements with financial institutions in which the Group sold a portfolio of debt investments it held to the financial institutions in exchange for cash consideration of RMB154,574,000 (equivalent to HK\$171,237,000) (2024: US\$5,579,000 (equivalent to HK\$43,516,000)). There are no maturity dates stated in the agreements and the interest is calculated using the effective interest rate, which ranges from 2.5% to 4.7% (2024: 2.7% to 2.8%). The Group is required to repurchase the debt investments at original cash consideration plus interest at fixed rates ranged from 2.5% to 4.7% (2024: 2.7% to 2.8%) upon the termination of the agreements. As at 31 December 2025, the obligations under repurchase agreements were collateralised by the Group's debt investments and listed perpetual bonds with a fair value of HK\$287,258,000 (2024: HK\$59,962,000).

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 27. DEFINED CONTRIBUTION PLANS

The aggregate employer's contributions, net of forfeited contributions, which have been dealt with in the consolidated statement of profit or loss for the year are shown as follows:

	2025 HK\$'000	2024 HK\$'000
Employer's contributions charged to the consolidated statement of profit or loss	2,289	2,744

## 28. DIRECTORS' EMOLUMENTS

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

The remuneration of the directors for the year ended 31 December 2025 is set out below:

Name of Director	Fee HK\$'000	Basic salaries HK\$'000	Housing allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to pension scheme HK\$'000	Total HK\$'000
<b>Executive Directors</b>						
Zhan Jiang (note(i))	–	–	–	–	–	–
Zhang Xunyuuan	–	750	480	–	290	1,520
Yan Qizhong	–	1,800	480	–	249	2,529
<b>Non-executive Director</b>						
Zhang Yi (note (ii))	–	–	–	–	–	–
<b>Independent Non-Executive Directors</b>						
Zheng Minggao (note (iii))	220	–	–	–	–	220
Hu Lielei	240	–	–	–	–	240
Zhao Guangming	240	–	–	–	–	240
Li Ying (note (iv))	20	–	–	–	–	20
	720	2,550	960	–	539	4,769

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 28. DIRECTORS' EMOLUMENTS (CONTINUED)

Notes:

- (i) Zhan Jiang has been appointed as Executive Director & Chairman with effect from 15 October 2025.
- (ii) Zhang Yi resigned as Non-executive Director & Chairman with effect from 15 October 2025.
- (iii) Zheng Minggao ceased as Independent Non-executive Director with effect from 1 December 2025.
- (iv) Li Ying has been appointed as Independent Non-executive Director with effect from 1 December 2025.
- (v) The evaluation of the performance of the Executive Directors has not yet been finalised. The discretionary bonuses payable are therefore not finalised and the final amount will be disclosed in due course. The discretionary bonuses of certain executive directors are payable by instalments.
- (vi) No emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2025 and 2024.

The remuneration of the directors for the year ended 31 December 2024 is set out below:

Name of Director	Fee HK\$'000	Basic salaries HK\$'000	Housing allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Employer's contribution to pension scheme HK\$'000	Total HK\$'000
<b>Executive Directors</b>						
Zhang Xunyu	–	750	480	–	275	1,505
Lau Mun Chung (note (i))	41	400	–	–	3	444
Yan Qizhong (note (ii))	–	750	200	–	74	1,024
<b>Non-executive Director</b>						
Zhang Yi (note (iii))	–	–	–	–	–	–
<b>Independent Non-Executive Directors</b>						
Xia Zhidong (note (iv))	137	–	–	–	–	137
Liu Xiaofeng (note (iv))	137	–	–	–	–	137
Zheng Minggao	240	–	–	–	–	240
Hu Lielei (note (v))	103	–	–	–	–	103
Zhao Guangming (note (v))	103	–	–	–	–	103
	761	1,900	680	–	352	3,693

Notes:

- (i) Lau Mun Chung ceased as Executive Director & Company Secretary with effect from 2 March 2024 due to retirement.
- (ii) Yan Qizhong has been appointed as Executive Director & Chief Financial Officer with effect from 2 March 2024.
- (iii) Zhang Yi has been re-designated from Executive Director to Non-executive Director with effect from 28 August 2024.
- (iv) Xia Zhidong and Liu Xiaofeng have ceased to be Independent Non-executive Directors with effect from 27 July 2024.
- (v) Hu Lielei and Zhao Guangming have been appointed as Independent Non-executive Directors with effect from 27 July 2024.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 29. KEY MANAGEMENT PERSONNEL'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

### (a) Key management personnel's emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly, including Executive Directors and Executive Officers, Non-Executive Directors and Independent Non-Executive Directors.

The remuneration of key management personnel during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, housing allowances and benefits in kind	10,065	11,252
Discretionary bonuses	–	–
Defined contribution plans	622	449
	10,687	11,701

The remuneration of Executive Directors is reviewed by the Remuneration Committee and/or the Board having regard to the performance of individuals and market trends.

The number of the key management personnel whose emoluments fell within the following bands is as follows:

	Number of individuals	
	2025	2024
<b>Emolument bands</b>		
HK\$Nil–HK\$1,000,000	7	7
HK\$1,000,001–HK\$1,500,000	4	4
HK\$1,500,001–HK\$2,000,000	1	2
HK\$2,000,001–HK\$2,500,000	–	1
HK\$2,500,001–HK\$3,000,000	1	–
	13	14

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 29. KEY MANAGEMENT PERSONNEL'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included two (2024: two) director, whose emoluments are reflected in note 28. The emoluments payable to the remaining three (2024: three) individuals during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, housing allowances and benefits in kind	3,857	5,700
Discretionary bonuses	–	–
Defined contribution plans	47	54
	<b>3,904</b>	<b>5,754</b>

The emoluments of the remaining three (2024: three) individuals fell within the following bands:

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

## 30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

All share options were cancelled in prior years.

During the years ended 31 December 2025 and 2024 no share options were granted nor outstanding.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Reconciliation of profit before taxation to net cash generated from/(used in) operating activities

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation		83,422	31,015
Adjustments for:			
Depreciation of property and equipment	7(b)	2,264	2,929
Depreciation of right-of-use assets	7(b)	13,833	16,646
Share of profits of joint ventures, net		(1,560)	–
Share of profits of associates	18	(15,388)	(20,700)
Loss on disposal of property and equipment	5	82	1
Written off of intangible assets		120	–
Interest income from pledged bank deposits		–	(311)
Gain from changes in fair value of financial assets at fair value through profit or loss, net		(1,929)	(327)
Gain on disposal of financial assets at fair value through profit or loss, net		–	(439)
Gain on disposal of debt instruments at fair value through other comprehensive income, net		(7,189)	(304)
Interest income from investments		(11,694)	(37,261)
Interest expenses on lease liabilities	8	1,320	752
Other interest expenses	8	38,182	29,698
Loss on disposal of subsidiaries	35	–	16,034
Impairment loss on financial assets under expected credit loss model, net of reversal	7(a)	16,290	17,509
<b>Operating profit before working capital changes</b>		<b>117,753</b>	<b>55,242</b>
Increase in other assets		(12,172)	(2,201)
Increase in trade and other receivables		(64,548)	(237,008)
Increase in trade and other payables		16,446	190,931
Increase in pledged bank deposit		(154)	–
<b>Cash generated from operations</b>		<b>57,325</b>	<b>6,964</b>
Hong Kong Profits Tax paid		–	(27)
PRC Corporate Income Tax paid		–	(12,986)
Withholding tax paid		–	(10,007)
Tax paid		(2,934)	–
<b>Net cash generated from/(used in) operating activities</b>		<b>54,391</b>	<b>(16,056)</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### (b) Reconciliation of liabilities arising from financing activities

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

	Lease liabilities <i>HK\$'000</i> <i>(note 16)</i>	Borrowings <i>HK\$'000</i> <i>(note 26)</i>	Interest payable included in other payables <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	28,645	484,808	2,696	516,149
Financing cash flows	(19,116)	221,758	(26,721)	175,921
Interest expenses <i>(note 8)</i>	752	–	29,698	30,450
Other non-cash transactions:				
Disposal of subsidiaries <i>(note 35)</i>	(3,289)	–	–	(3,289)
At 31 December 2024 and 1 January 2025	<b>6,992</b>	<b>706,566</b>	<b>5,673</b>	<b>719,231</b>
Financing cash flows	<b>(12,824)</b>	<b>529,944</b>	<b>(14,291)</b>	<b>502,829</b>
Interest expenses <i>(note 8)</i>	<b>1,320</b>	–	<b>38,182</b>	<b>39,502</b>
New leases	<b>37,607</b>	–	–	<b>37,607</b>
At 31 December 2025	<b>33,095</b>	<b>1,236,510</b>	<b>29,564</b>	<b>1,299,169</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 32. CONTINGENT LIABILITIES

As at 31 December 2025, a subsidiary of the Company engaging in securities brokering and providing securities margin financing has secured banking facilities from certain authorised institutions for a total amount of HK\$200 million (2024: HK\$200 million). In addition, the Company has issued corporate guarantees for a total principal amount of HK\$200 million (2024: HK\$200 million) for these facilities. As at 31 December 2025, no amount (2024: nil) was drawn under the banking facilities.

Apart from the above, the Group has no other material contingent liabilities as at 31 December 2025 (2024: nil).

## 33. CAPITAL AND INVESTMENT COMMITMENTS

### (a) Capital commitments

Capital commitments outstanding at the end of the reporting period not provided for in the consolidated financial statements are as follows:

	2025 HK\$'000	2024 HK\$'000
Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the consolidated financial statements	2,377	346

### (b) Investment commitments

The Group had no material investment commitments contracted as at 31 December 2025 (2024: nil).

As part of the Group's asset management business, the Group sets up structured entities (for example, investment funds) and generate fees from managing assets on behalf of investors. The Group may also co-invest in these structured entities in the capacity as general partners or investment/fund managers of these structured entities. The Group did not control and did not consolidate these structured entities.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT

### 34.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Risk Management Committee (the "RMC") under policies approved by the Board of Directors. The RMC identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The RMC also recommends the overall risk management policy for the approval of the Board or the Executive Management Committee (the "EMC") of the Group, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

#### (a) Market risk

The exposures of the Group to market risk include foreign exchange risk and interest rate risk.

##### *Foreign exchange risk*

The Group is exposed to foreign exchange risk primarily arising from its financial assets and financial liabilities denominated in foreign currencies. The currencies giving rise to this risk are primarily Renminbi and the United States dollars. The RMC reviews the exposures from time to time to cope with changes in volatility in the market.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### *Foreign exchange risk (Continued)*

The following table details the Group's exposure at the end of the reporting period to foreign exchange risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Japanese Yen HK\$'000	United States dollars HK\$'000	Renminbi HK\$'000	Others HK\$'000
<b>At 31 December 2025</b>				
Debt instruments at fair value through other comprehensive income	–	445,920	858,188	–
Financial assets at fair value through profit or loss	–	52,694	–	–
Trade and other receivables	621	32,947	300	268
Other assets	–	–	312	–
Bank balances and cash	185	59,028	87,003	143
Trade and other payables	(620)	(8,194)	(2,184)	–
Borrowings	–	–	(597,420)	–
Net exposure arising from recognised net assets	186	582,395	324,297	411
<b>At 31 December 2024</b>				
Debt instruments at fair value through other comprehensive income	–	82,434	536,680	–
Financial assets at fair value through profit or loss	–	11,672	–	–
Trade and other receivables	60	25,723	248	2,209
Other assets	–	–	268	–
Bank balances and cash	185	144,239	42,551	73
Trade and other payables	(36)	(611)	(2,614)	–
Borrowings	–	–	(362,566)	–
Net exposure arising from recognised net assets	209	263,457	214,567	2,282

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### *Sensitivity analysis*

The following table indicates the approximate change in the Group's loss before tax in response to possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

	2025		2024	
	Appreciation/ (depreciation) of foreign currencies	(Decrease)/ increase on profit before tax <i>HK\$'000</i>	Appreciation/ (depreciation) of foreign currencies	(Decrease)/ increase on profit before tax <i>HK\$'000</i>
RMB	10% (10%)	32,430 (32,430)	10% (10%)	(21,457) 21,457

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to foreign exchange risk for monetary assets and liabilities in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollars and the United States dollars would be materially unaffected by any changes in movement in value of the United States dollars against other currencies. Accordingly, no sensitivity analysis has been prepared.

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' loss before tax measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes. The analysis is performed on the same basis for 2024.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### *Interest rate risk*

##### *Cash flow interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to the financial instruments subject to floating interest rates. Financial assets subject to cash flow interest rate risk mainly include margin loans arising from securities brokering and bank balances. Financial liabilities subject to floating interest rates are bank loans and borrowings under repurchase agreements. The Group currently does not have a cash flow interest rate hedging policy. However, management is closely monitoring the Group's exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

The cash flow interest rate risk exposure of the Group at the end of the reporting period is as follows:

	2025		2024	
	Effective interest rate	HK\$'000	Effective interest rate	HK\$'000
<b>Assets</b>				
Bank balances	0.5%	122,050	0.5%	120,110
Margin loans	8.875%	43,544	8.875%	91,111
		<b>165,594</b>		<b>211,221</b>
<b>Liabilities</b>				
Bank loans	3.540%	(1,065,273)	4.49%	(663,050)
Borrowings under repurchase agreements	4.366%	(171,237)	2.624%	(43,517)
		<b>(1,236,510)</b>		<b>(706,567)</b>
<b>Net exposure</b>		<b>(1,070,915)</b>		<b>(495,345)</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### *Interest rate risk (Continued)*

As at 31 December 2025, it is estimated that with all other variables held constant, an increase/decrease in the interest rate by 25 basis points would have decreased/increased the Group's profit before taxation by approximately HK\$2,677,000 (2024: HK\$1,238,000) and HK\$2,677,000 (2024: HK\$1,238,000) respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 25 (2024: 25) basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period.

##### *Fair value interest rate risk*

At 31 December 2025 and 2024, the Group is also exposed to fair value interest rate risk in relation to debt investments with fixed interest classified as debt instruments at fair value through other comprehensive income (note 14). The Group does not have a fair value interest rate hedging policy. However, management is closely monitoring the Group's exposure arising from debt investments by regularly performing quantitative analysis, including periodic sensitivity analysis.

A sensitivity analysis of the Group's fair value interest rate risk arising from the debt investments classified as debt instruments at fair value through other comprehensive income is as follows:

	2025 Effect on equity HK\$'000	2024 Effect on equity HK\$'000
Increase by 25 basis points	3,179	3,096
Decrease by 25 basis points	(3,179)	(3,096)

# Notes to the Consolidated Financial Statements

*(Expressed in Hong Kong dollars)*

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (b) Credit risk

The Group's credit risk is primarily attributable to its debt instruments at fair value through other comprehensive income, pledged bank deposits, bank balances and trade and other receivables (including margin loans arising from securities brokering). It has policies in place to ensure that credits are granted to customers with an appropriate credit history and/or collateral deposited with the Group.

For trade receivables arising from securities brokering except for margin loans, credits are granted to a large population of clients, and hence, there is no significant concentration risk. The margin clients' listed securities can be sold at the Group's discretion upon margin shortfall situation to fulfil any margin call.

Further quantitative data in respect of the Group's exposure to credit risk for margin loans arising from securities brokering is disclosed in note 21(v). As at 31 December 2025 and 2024, such risks are mitigated by the listed securities held by the Group as collateral which are subject to periodic review.

For commodities and futures brokering, an initial margin will be collected before the opening of trading positions. Derivative counterparties and cash transactions are limited to high credit quality financial institutions and only brokers having sound credit rating will be accepted.

The open positions of the margin clients of the trading of commodities and futures contracts can be closed at the Group's discretion in margin shortfall situation to settle any margin call requirements imposed by their respective commodities and futures contracts transactions.

The Group's pledged bank deposits and bank balances are deposited in respectable and large commercial banks. The credit risk of pledged bank deposits, bank balances and cash is considered to be manageable.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

Debt instruments at fair value through other comprehensive income are listed debt investments with fixed interest. The Group has a policy in place of spreading the aggregate value of transactions concluded amongst approved counterparties with an appropriate credit quality. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group primarily invested in debt investments which are rated at least B+ by international credit rating agencies, Standard & Poor's, Moody's or Fitch; or otherwise rated AAA by Chinese credit rating agencies, such as China Chengxin, China Lianhe and CSPI Rating. Any exception shall be approved by the management of the Group. As at 31 December 2025, 100% (2024: 100%) of the debt investments held by the Company were B+ or above or credit ratings of at least AA determined by Chinese credit rating agencies and 0% (2024: 0%) were non-rated. In addition, the five largest debt investments contribute to 13.5% (2024: 26%) of the total debt investments. The management of the Group reviews the portfolio of debt investments on a regular basis to ensure that there is no significant concentration risk. In this regard, the management of the Group considers that the credit risk relating to investments in debt investments is closely monitored.

The Group has maintained relationship with various financial institutions, and has policies to limit the amount of credit exposure to any financial institution. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 21.

The maximum credit exposure is the worst case scenario of exposure to the Group without taking into account any collateral held or other credit enhancements. For financial assets, the maximum exposure to credit risk equals their carrying amount. For loan commitments and other credit related liabilities, the maximum exposure to credit risk is the full amount of the committed facilities.

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

As at 31 December 2025	12-month ECLs Stage 1 HK\$'000	Lifetime ECLs			Total HK\$'000
		Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Debt investment at fair value through other comprehensive income					
– B + and above	1,304,108	–	–	–	1,304,108
– B to N/A	–	–	–	–	–
Trade and other receivables					
– Normal	38,284	–	12,929	–	51,213
– Doubtful	–	–	–	–	–
Bank balances (including pledged bank deposits)					
– Not yet past due	269,119	–	–	–	269,119
	1,611,511	–	12,929	–	1,624,440

As at 31 December 2024	12-month ECLs Stage 1 HK\$'000	Lifetime ECLs			Total HK\$'000
		Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Debt investment at fair value through other comprehensive income					
– B + and above	619,114	–	–	–	619,114
– B to N/A	–	–	–	–	–
Trade and other receivables					
– Normal	51,311	100	–	546	51,957
– Doubtful	–	–	39,700	–	39,700
Bank balances (including pledged bank deposits)					
– Not yet past due	228,218	–	–	–	228,218
	898,643	100	39,700	546	938,989

The Group applies the general approach for impairment of financial assets except for impairment of trade and other receivables arising from corporate finance, which the simplified approach was applied.

The credit quality of the financial assets included in trade and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Financial risk factors (Continued)

#### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group employs a prudent liquidity policy.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Weighted average effective interest rate	Carrying amount <i>HK\$'000</i>	Total contractual undiscounted cash flow <i>HK\$'000</i>	Within 1 year or on demand <i>HK\$'000</i>	Between 1 and 2 years <i>HK\$'000</i>	Between 2 and 6 years <i>HK\$'000</i>
<b>At 31 December 2025</b>						
Trade and other payables	N/A	253,866	253,866	253,866	-	-
Bank loans	4.37%	1,065,273	1,111,783	1,111,783	-	-
Borrowings under repurchase agreements	3.54%	171,237	177,299	177,299	-	-
Lease liabilities	4.20%	33,095	36,030	6,839	6,839	22,352
		1,523,471	1,578,978	1,549,787	6,839	22,352
<b>At 31 December 2024</b>						
Trade and other payables	N/A	214,800	214,800	214,800	-	-
Bank loans	4.49%	663,050	692,821	692,821	-	-
Borrowings under repurchase agreements	2.73%	43,516	43,516	43,516	-	-
Lease liabilities	3.61%	6,992	7,055	7,055	-	-
		928,358	958,192	958,192	-	-

The Company's policy is to regularly monitor its liquidity requirements including borrowings from subsidiaries, bonds issued to independent third parties, dividend payments to shareholders and accrued payments to ensure that it maintains sufficient reserves of cash to satisfy its contractual and foreseeable obligations as they fall due.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.2 Fair value measurement of financial instruments

#### 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), as well as the level of the fair value hierarchy into which the fair value measurement is categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair Value			
		2025	2024	Fair value	Valuation
		HK\$'000	HK\$'000	hierarchy	techniques
					key inputs
(i)	Financial assets at fair value through profit or loss				
	– Listed fund investments	52,694	11,671	Level 1	Quoted prices in an active market
	– Unlisted equity securities	–	1	Level 2	Adjusted NAV of equity securities
(ii)	Debt instruments at fair value through other comprehensive income				
	– Listed debt investment	1,304,108	619,114	Level 1	Quoted prices in an active market

Note: The fair values of unlisted equity funds are determined with reference to its net asset value or recent transaction price. Accordingly, no sensitivity analysis was prepared.

There are no transfers into or out of Level 3 for financial assets in the current year (2024: nil).

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.2 Fair value measurement of financial instruments (Continued)

#### Reconciliation of Level 3 fair value measurements of financial instruments

	<b>Financial assets at fair value through profit or loss HK\$'000</b>
<b>At 1 January 2024</b>	32,020
Additions	1,629
Changes in fair value	(10,825)
Exchange difference	(525)
Disposals	(5,348)
Disposal of subsidiaries ( <i>note 35</i> )	(16,951)
<b>At 31 December 2024, 1 January 2025 and 31 December 2025</b>	–

#### Fair value measurement and valuation process

The management is responsible for determining the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of the financial instruments, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group maximises its use of other observable market data relevant to the assets or the liabilities. As there are a number of investments within these investment funds, management considered providing the sensitivity analysis is not meaningful.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 35. DISPOSAL OF SUBSIDIARIES

### 盛雲達

On 13 December 2024, the Group disposed 50% of its equity interest of 盛雲達, at a consideration of RMB16.95 million (equivalent to approximately HK\$18.34 million) to CPI (China) Management Limited, an associate of the Group.

	<i>HK\$'000</i>
Net assets disposed of:	
Financial assets at fair value through profit of loss	26,357
Property, plant and equipment	199
Right-of-use assets	1,588
Bank balances and cash	65,794
Trade and other receivables	91,518
Accruals and other payables	(919)
Amount due to group entities	(141,431)
Income tax payable	(5,703)
Lease liabilities	(1,806)
Net assets disposed of	35,597
Loss on disposal:	
Consideration receivable	18,340
Recognition of interests in joint venture ( <i>note 17</i> )	17,799
Net assets disposed of	(35,597)
Release of exchange reserve upon disposal	(12,738)
Loss on disposal	(12,196)
Net cash outflows arising on disposal	
Consideration received	9,170
Less: bank balances and cash disposed of	(65,794)
	(56,624)

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 35. DISPOSAL OF SUBSIDIARIES (CONTINUED)

### 盛達領先

On 23 December 2024, the Group disposed 50% of its equity interest of 盛達領先, at a consideration of RMB8.70 million (equivalent to approximately HK\$9.6 million) to a connected person.

	<i>HK\$'000</i>
Net assets disposed of:	
Financial assets at fair value through profit of loss	3,626
Property, plant and equipment	287
Right-of-use assets	1,190
Bank balances and cash	21,422
Trade and other receivables	7,145
Accruals and other payables	(853)
Amount due to group entities	(8,110)
Income tax payable	(45)
Lease liabilities	(1,483)
Net assets disposed of	23,179
Loss on disposal:	
Consideration receivable	9,600
Recognition of interests in joint venture ( <i>note 17</i> )	11,589
Net assets disposed of	(23,179)
Release of exchange reserve upon disposal	(1,848)
Loss on disposal	(3,838)
Net cash outflows arising on disposal	
Consideration received	–
Less: bank balances and cash disposed of	(21,422)
	(21,422)

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 36. RELATED PARTY AND CONNECTED PERSON TRANSACTIONS

The following is a summary of significant related party and connected person (as defined in the Listing Rules) transactions which were carried out in the normal course of the Group's business:

	2025 HK\$'000	2024 HK\$'000
Brokering commission for securities dealing (note (i))	6,591	3,024
Service fee income (note (ii))	5,079	3,301
Placing commission (note (iii))	721	1,567
Fund management fee and advisory fee income (note (iv))	27,957	43,725
Bank interest income (note (v))	4	484
Loan interest expense (note (vi))	3,270	–

### Notes:

- (i) In 2025 and 2024, the Group earned commission income from its directors and fellow subsidiaries for providing securities brokering services. The commission income from fellow subsidiaries constitutes continuing connected transactions.
- (ii) In 2025 and 2024, the Group earned service fee income from an associate and its fellow subsidiaries for providing administrative supporting and consulting services.
- (iii) In 2025 and 2024, the Group received placing commission from its fellow subsidiaries and ultimate holding company for placing securities. The entire amount constitutes continuing connected transactions.
- (iv) In 2025, the Group earned management fee income from China Cinda Asset Management Co., Ltd. ("China Cinda" and its associates (as defined by Listing Rules)) and a joint venture for providing asset management services (2024: the Group earned management fee income from China Cinda and its associates (as defined by Listing Rules) for providing asset management services). Except for an aggregate amount of HK\$18,180,000 relating to service provided to a joint venture in 2025, the entire amounts constitute continuing connected transactions in 2025 and 2024.
- (v) In 2025 and 2024, the Group earned bank interest income from its fellow subsidiary.
- (vi) In 2025, the Group incurred loan interest expenses to its fellow subsidiary.
- (vii) Compensation of key management personnel is disclosed in note 29(a).
- (viii) The Group is indirectly controlled by Central Huijin Investment Ltd. ("Central Huijin") as at 31 December 2025 (2024: China Cinda), which is indirectly controlled by the PRC government through the State Council of China. The State Council of China is the major shareholder of Central Huijin as at 31 December 2025 (2024: China Cinda). For the current and prior years, the Group undertakes certain transactions and maintain certain balances with entities directly or indirectly owned by the PRC government, including but not limited to making bank deposits, receiving banking facilities, renting properties and rendering and obtaining other services. The Group is of the opinion that these transactions are in normal business terms that do not require separate disclosure.

# Notes to the Consolidated Financial Statements

*(Expressed in Hong Kong dollars)*

## 37. IMMEDIATE AND ULTIMATE HOLDING COMPANY

At 31 December 2025, the directors consider the immediate parent and ultimate controlling party of the Group to be Cinda Securities (H.K.) Holdings Limited and Central Huijin (2024: Cinda Securities (H.K.) Holdings Limited and China Cinda), respectively, which are incorporated in Hong Kong and established in the PRC, respectively.

## 38. EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period that require adjustments to the consolidated financial statements.

## 39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group offsets the following trade receivables and trade payables as the Group currently has a legally enforceable right to set off the balance, and intends either to settle on net basis, or to realise the balance simultaneously.

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the Group's consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC"), the Group has a legally enforceable right to set off the money obligation receivable and payable with HKSCC on the same settlement date and the Group intends to settle them on a net basis. In addition, the Group has a legally enforceable right to set off the trade receivables and payables with brokering clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Other balances with HKSCC and brokering clients that are not to be settled on the same date, or can only be set off in an event of default, are presented in gross.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

	Gross amounts of recognised financial liabilities offset in the consolidated statement of financial position	Gross amounts of recognised financial assets	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position Financial instruments received as collateral (note (iii))	Net amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>As at 31 December 2025</b>					
<b>Financial assets by counterparty</b>					
Trade receivables from:					
– Margin clients (note (i))	108,731	(57,518)	51,213	(33,747)	17,466
– Clearing houses (note (ii))	122,316	(122,125)	191	–	191
<b>Total</b>	<b>231,047</b>	<b>(179,643)</b>	<b>51</b>	<b>(33,747)</b>	<b>17,657</b>
<b>As at 31 December 2024</b>					
<b>Financial assets by counterparty</b>					
Trade receivables from:					
– Margin clients (note (i))	158,800	(67,689)	91,111	(49,640)	41,471
– Clearing houses (note (ii))	96,794	(93,793)	2,971	–	2,971
<b>Total</b>	<b>255,564</b>	<b>(161,482)</b>	<b>94,082</b>	<b>(49,640)</b>	<b>44,442</b>

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows: (Continued)

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial liabilities offset in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position Financial instruments received as collateral (note (iii))	Net amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>As at 31 December 2025</b>					
<b>Financial liabilities by counterparty</b>					
Trade payable to:					
– Margin clients (note (i))	(61,348)	57,518	(3,830)	–	(3,830)
– Clearing houses (note (ii))	(135,562)	122,125	(13,437)	–	(13,437)
<b>Total</b>	<b>(196,910)</b>	<b>179,643</b>	<b>(17,267)</b>	<b>–</b>	<b>(17,267)</b>
<b>As at 31 December 2024</b>					
<b>Financial liabilities by counterparty</b>					
Trade payable to:					
– Margin clients (note (i))	(70,667)	67,689	(2,978)	–	(2,978)
– Clearing houses (note (ii))	(94,430)	93,793	(637)	–	(637)
<b>Total</b>	<b>(165,097)</b>	<b>161,482</b>	<b>(3,615)</b>	<b>–</b>	<b>(3,615)</b>

Notes:

- (i) Under the agreement signed between the Group and the customers, money obligations receivable and payable with the same customer on the same date are settled on a net basis simultaneously.
- (ii) Under the agreement of the Continuous Net Settlement made between the Group and HKSCC, money obligations receivable and payable with HKSCC on the same settlement date are settled on a net basis.
- (iii) Financial instruments represent the margin clients' listed securities measured at fair value determined by reference to their respective quoted prices pledged to the Group for credit facilities for securities trading.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – The Contracts referencing nature-dependent electricity	1 January 2026
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Hong Kong Interpretation 5, Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKAS 21, Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual improvements to HKFRS Accounting Standards - Volume 11	1 January 2026
HKFRS 18 Presentation and disclosure in financial statements	1 January 2027
HKFRS 19 Subsidiaries without public accountability: disclosures	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements. While HKFRS 18 will not change recognition criteria or measurement bases, the standard is expected to change the presentation and disclosures of the Group's consolidation financial statements.

# Five Year Financial Summary

(Expressed in Hong Kong dollars)

Results	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Profit/(loss) attributable to equity holders	80,430	10,335	(12,849)	(22,408)	57,794

Assets and liabilities	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	2,583,924	1,864,194	1,646,468	1,665,710	2,106,451
Total liabilities	1,523,530	(928,398)	(706,335)	(717,597)	(1,083,811)
Total equity	1,060,394	935,796	940,133	948,113	1,022,640

Notes:

1. The Company was incorporated in Bermuda on 19 April 2000 and became the holding company of the companies now comprising the Group on 10 July 2000.
2. Segregated trust accounts maintained by the Group to hold clients' monies and the corresponding amounts classified under accounts payable are treated as items not recognised in the consolidated statement of financial position.