



OSHIDORI
INTERNATIONAL HOLDINGS LIMITED

Incorporated in Bermuda
with limited liability
Stock Code : 622.HK

2025 Annual Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. SAM Hing Cheong (*Chairman*)
Ms. WONG Wan Men
Mr. WONG Yat Fai

Independent Non-Executive Directors

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. YU Chung Leung

AUTHORISED REPRESENTATIVES

Ms. WONG Wan Men
Mr. WONG Yat Fai

AUDIT COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. YU Chung Leung (*Chairman*)

NOMINATION COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. SAM Hing Cheong
Ms. WONG Wan Men
Mr. YU Chung Leung (*Chairman*)

REMUNERATION COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. SAM Hing Cheong
Ms. WONG Wan Men
Mr. YU Chung Leung (*Chairman*)

COMPANY SECRETARY

Ms. LIU Tsui Fong

LEGAL ADVISORS

(*As to Bermuda law*)
Conyers Dill & Pearman

REGISTERED OFFICE

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2 Church Street
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Bermuda

PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

STOCK CODE

Hong Kong Stock Exchange: 622

MANAGEMENT DISCUSSION AND ANALYSIS

Oshidori International Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) recorded a net profit of HK\$178.9 million for the year ended 31 December 2025 (the “**Year**”) as compared to a net loss of HK\$194.7 million for the year ended 31 December 2024 (the “**Previous Year**”). The net profit for the Year is mainly attributable to the combined effects of: (a) the share of profit of associates of HK\$128.4 million; (b) the net unrealised fair value gain on financial assets at fair value through profit or loss of HK\$27.6 million; and (c) the reversal of impairment loss in respect of loan receivables, net of HK\$12.7 million.

BUSINESS REVIEW

The Group principally engages in investment holdings, tactical and/or strategical investments (including property investments), provision of financial services including the Securities and Futures Commission (the “**SFC**”) regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management); and provision of credit and lending services regulated under the Money Lenders Ordinance.

A. Financial Services

The Group is licensed by the SFC to conduct regulated activities including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management).

Commission income generated from the Group’s securities brokerage services and placing services increased by 9.1% to HK\$1.2 million for the Year (Previous Year: HK\$1.1 million). Interest income generated from provision of margin financing services decreased by 17.2% to HK\$7.7 million for the Year (Previous Year: HK\$9.3 million).

B. Credit and Lending Services

(i) Business Model

The Company, through its wholly owned subsidiaries, namely, Oshidori WW Resources Limited and Oshidori Citizens Money Lending Corporation Limited, conducts credit and lending services business under the Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong.

The Group maintains readily available funds and equips itself with sufficient lending capacities for capturing potential business opportunities. The Group finances its credit and lending services business with its existing general working capital. The Group’s credit and lending services business has a unique business model with emphasis on the provision of sizeable loans to both corporate and individual clients with good financial standing and low credit risk (such as listed companies and individuals holding marketable assets).

The Group targets a niche market of high-profile borrowers (i.e. (a) listed companies; (b) companies with well-established businesses; (c) companies or individuals holding marketable assets; and (d) individuals whose occupations are executives, businessmen or professionals) in need of sizeable loans, who have a proven track record of making repayments. The Group grants loans only to recognised and creditworthy customers. The Group grants loans only to the customers (a) who are third parties and not connected with the Group; (b) who are introduced by the Group’s directors, senior management, business partners or existing/previous borrowers; and (c) whose creditworthiness and loan collateral are evaluated and approved by the credit committee (the “**Credit Committee**”) of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The management team of the Group's credit and lending services business comprises the Credit Committee and 2 managers. During the year ended 31 December 2025, the Credit Committee consisted of two directors of the Group, who had over 13 years of working experience in an international banking group and around 20 years of experience in finance, investment and credit and lending industries, respectively. The Credit Committee has the power and authority to review and approve the loan applications. The Credit Committee is responsible for (i) assessing credit risks; (ii) overseeing the approval of credit applications and loan approvals; and (iii) managing customer relationships. The managers are responsible for (i) reviewing loan documentations, (ii) identifying potential problems; and (iii) recommending mitigating factors.

(ii) Internal Control Procedures

The Group has taken the following internal control measures in carrying out the credit and lending services business:

Credit risk assessment of customers

Potential customers are required to disclose and provide the Group with a list of information required for a loan application. The Group will then assess the creditworthiness of the potential customers and their repayment abilities, including legal due diligence. In particular, the following information is requested and considered as part of the process of assessing creditworthiness:

- a) the potential customers' background and statutory information;
- b) the potential customers' proof of income, including bank statements;
- c) the amount and purpose of the loan;
- d) the results of legal searches, such as litigation (or the absence of), on the potential customers; and
- e) whether the Group and the potential customers have any prior dealings and, if so, the credit history of any such prior arrangements.

In making the approval decision, the Credit Committee considers the information set out above and assesses the potential customers' credit risk, the loan-to-value ratio and the proposed interest rate. The operations of the Credit Committee are subject to review by the Executive Directors of the Company.

Mechanism in determining loan terms

The request from each potential customer is unique. The loan terms are determined based on the potential customers' financial needs (e.g. type of loan, capital needs and loan tenure), credit risk assessment of potential customers and their financial repayment abilities. The loan interest rate is determined based on the result of credit risk assessment and reference to the market interest rate.

MANAGEMENT DISCUSSION AND ANALYSIS

Approval process for granting loans

Application and approval process are as follows:

- a) collection of potential customer's information;
- b) preliminary loan assessment and approval (if disapproved, reject loan application and inform the potential customer);
- c) credit assessment – 3C's Assessment (i.e. character, capacity, and collateral):
 - character is defined by credit and loan repayment history;
 - capacity measures income and ability to service a loan or line of credit;
 - collateral refers to asset(s) that could be leveraged for payment;
- d) determine the terms of the loan and obtain approval from the Credit Committee (if disapproved, reject loan application and inform the potential customer);
- e) prepare board minutes to approve the loan and notify the potential customer of the loan approval;
- f) prepare all relevant loan documents and explain the terms of the loan and the associated loan documents to the potential customer;
- g) execution of the relevant loan documents and prepare loan disbursement; and
- h) review and file the loan documents in the filing cabinets.

Monitoring loan repayment and recovery

The status of outstanding loan principals and interest collection is monitored by the Credit Committee, two managers and accounting department on a daily basis by reviewing daily reports. On the maturity date, the Credit Committee communicates with borrowers by phone regarding their financial conditions and source of repayment to ascertain whether borrowers have any difficulty in making their repayments on time; and the Credit Committee also reminds borrowers to make timely repayments of their loans. When borrowers request for loan extension, the Credit Committee would request the managers and accounting department to ascertain and review the borrowers' financial condition through publicly available information (such as website of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and press media, etc) so as to assess the recoverability of loans. In the event that there is no such publicly available information, the Credit Committee would request the respective borrowers for their updated financial information.

Taking actions on delinquent loans

When a loan is overdue, the Group will contact the borrower and guarantor (if any) to remind them of the possible enforcement action(s) and timing of repayment and seeking reasons for the delay in repayment. The Group will also issue demand letter(s) to the borrowers. If the Group does not receive any favourable reply from the borrowers, the Group will instruct legal advisers to take legal actions for recovery of outstanding loan principal and accrued interest.

MANAGEMENT DISCUSSION AND ANALYSIS

The action plans are determined based on the individual situation on a case by case basis. In general, the Group takes into account factors such as whether the pledged assets provided by the borrowers are sufficient in value; and whether there are any bona fide settlement offers made by the borrowers.

In case the market value of pledged assets falls below the outstanding loan amount, the Group may request the borrowers to increase the pledged assets. In case the borrowers can provide the Group with bona fide settlement proposal, the Group may consider withholding legal action against the borrowers and accept the settlement proposal in order to save legal costs and time.

(iii) Major Terms of Loans

As at 31 December 2025, the Company's credit and lending services business had 12 customers (all of them are independent third parties) and the total net loan receivables including both fixed and variable rate loan advances was HK\$830.9 million (2024: HK\$626.3 million).

Among these loan receivables, totalling HK\$125.7 million (2024: totalling HK\$7.3 million) were secured by the pledge of certain collaterals, corporate guarantee and personal guarantees (2024: the pledge of certain collaterals and personal guarantees), bearing interests ranging from HKD Prime Rate plus 2.75% to 9% (2024: HKD Prime Rate plus 2.75% to 9%) per annum and had contractual loan period between 12 months and 18 months (2024: between 12 months and 18 months).

The remaining balance of HK\$705.2 million (2024: HK\$619.0 million) were unsecured, and bearing interests ranging from 3% to 6% (2024: 3% to 8%) per annum. Out of these unsecured loan receivables, HK\$637.2 million has contractual loan period of 1 year, HK\$64.7 million has contractual loan period between over 1 year and 2 years, and HK\$3.3 million has contractual loan period over 5 years (2024: between 9 months and 5 years and over 5 years).

During the year ended 31 December 2025, the Group offered attractive interest rate to borrowers (as low as 3% per annum) as special promotion and on ad hoc basis. Such interest rate was offered as a special promotion to maintain amicable business relationship with our borrowers whose credit assessment were of satisfactory results.

Interest income from loan receivables for the Year was HK\$26.8 million (Previous Year: HK\$28.9 million), which was decreased by 7.3% as compared to the Previous Year.

(iv) Top Five Borrowers

As at 31 December 2025, the loan and interest receivables from the largest borrower was HK\$149.2 million (representing approximately 18.0% of the total loan and interest receivables of the Group) while the loan and interest receivables from the five largest borrowers together was HK\$663.5 million (representing approximately 79.9% of the total loan and interest receivables of the Group).

MANAGEMENT DISCUSSION AND ANALYSIS

(v) Impairment Loss on Loan Receivables

The Group has conducted an impairment assessment of the loan receivables according to the accounting standards. In accordance with “Hong Kong Financial Reporting Standard 9 – Financial Instruments”, an entity shall at the end of each reporting period measure impairment of financial assets using the expected credit loss (the “ECL”) approach, i.e. to assess how current and future economic conditions impact the amount of loss.

Bases of impairment assessment and valuations or other evidence to support the impairment assessment

For the purpose of impairment assessment, the Group has established a loan credit risk classification system. Each loan receivable was assessed individually and was classified into the following three categories of internal credit rating:

- Performing refers to loans that have not had a significant increase in credit risk and for which ECL in the next 12 months will be recognised;
- Under-Performing refers to loans that have had a significant increase in credit risk and for which the lifetime ECL will be recognised; and
- Not Performing refers to loans that have objective evidence of impairment and for which the lifetime ECL will be recognised.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the loan receivable is credit-impaired, the Group has taken into account the following factors:

- a) historical actual credit loss experience for the borrower; and
- b) financial position of the borrower by reference to its management or audited accounts and available press information adjusted for forward-looking factors that are specific to the borrower and general economic conditions of the industry in which the borrower operates.

There was no change in the estimation techniques or significant assumptions made during the Year.

Reasons for the movements in impairment provisions

According to the impairment assessment, loss allowance of HK\$22.6 million (2024: HK\$40.8 million) was recognised for the loan and interest receivables outstanding as at 31 December 2025. Details of the reasons for the decrease in impairment provisions by HK\$18.2 million are set out below:

- a) during the Year, a reversal of loss allowance of HK\$28.9 million was mainly made for loan and interest receivables of HK\$604.2 million (as at 31 December 2024) upon recovery;

MANAGEMENT DISCUSSION AND ANALYSIS

- b) during the Year, loss allowance of HK\$8.5 million was made for loan and interest receivables of HK\$838.1 million (as at 31 December 2025) which were classified as Performing; and
- c) during the Year, loss allowance of HK\$7.8 million was made for loan and interest receivables of HK\$7.8 million (as at 31 December 2025) (which were classified as Not Performing) due to the failure of the borrowers to repay the loan upon maturity and the deterioration of the borrowers' financial capability.

C. Tactical and/or Strategic Investments

The Group engages in tactical and/or strategic investments of a diversified portfolio overseen by a professional investment team that holds Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) licences under the Securities and Futures Ordinance. Income from this segment amounted to HK\$12.5 million for the Year (Previous Year: negative income of HK\$3.4 million).

The Group's vision is to implement its corporate strategy through building a successful portfolio of investments that is resilient, sound and of value to the shareholders of the Company.

The Group strives to achieve excellent results and performance through the Group's tactical and/or strategic investments segment – creating value through investment selection and disposal, and demonstrates resilience in adverse market conditions. The Group has formulated a criteria to identify appropriate investments, established the basis for evaluation, and categorized such investments to reflect their significance and contribution to the Group. The holding size and holding periods are dependent upon the reasons for the acquisition, the strategic value of the investments, and the potential returns. The Group may consider realizing certain investments based on the internal resources' requirements, the increase/decrease in valuations that trigger the threshold for disposal, and the availability of alternative investment opportunities that may be superior in returns compared to existing holdings from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

THE GROUP'S INVESTMENTS

A breakdown of the Group's investments (with a value of 5% or more of the Group's total assets) as at 31 December 2025 is set out below:

Name of investments	Number of shares held as at 31 Dec 2025	Percentage of shareholding held as at 31 Dec 2025	Realised	Unrealised	Unrealised	Dividends received for the year ended 31 Dec 2025	Approximate % to the Group's total assets as at 31 Dec 2025	Investment cost	Fair value/ carrying amount as at 31 Dec 2025
			gain/(loss) for the year ended 31 Dec 2025	gain/(loss) for the year ended 31 Dec 2025	comprehensive gain/(loss) through other income for the year ended 31 Dec 2025				
			HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000
Unlisted shares									
Future Capital Group Limited ("Future Capital")	7,500	17.81%	-	-	(346,500)	-	5.9%	892,500	194,000
Zaotos Capital Limited ("Zaotos Capital")	720	26.43%	-	-	-	-	10.39%	358,880	341,506

The performance and prospects of such investments during the Year were as follows:

1. Future Capital

Future Capital was incorporated in the Cayman Islands with limited liability and it principally engages in property investments.

The property market remains challenging. Ongoing rental demand is expected to support long-term growth opportunities.

From a long-term perspective, Future Capital appears to have good prospects and the Company considers its investment in Future Capital has strategic investment value.

2. Zaotos Capital

Zaotos Capital was incorporated in the British Virgin Islands with limited liability. Zaotos Capital and its subsidiary principally engage in financial services business.

Hong Kong's government is on a drive to attract more family offices to the city and the new capital investment entrant scheme is launched to attract more new capital to Hong Kong and strengthen the development of financial services sector in Hong Kong.

From a long-term perspective, Zaotos Capital appears to have good prospects and the Company considers its investment in Zaotos Capital has strategic investment value.

Going forward, the Group will continue to implement its corporate strategy through building a successful portfolio of investments that is resilient, sound and of value for our shareholders. Although the market sentiment is expected to gradually improve, the overall economic outlook still remains uncertain. The Group will continue to adopt prudent capital management and liquidity risk management policies and practices to preserve adequate capital to meet the challenges ahead. The Group did not have any plan for material investments or capital assets as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

SECURITIES TRADING AND FINANCIAL INVESTMENT

A. Investment Policy and Objectives

The Company's investment activities are governed by a formal investment policy. The objective is to achieve capital appreciation and generate sustainable investment income, thereby enhancing overall shareholder value. The policy mandates a disciplined approach.

Key elements include:

- **Purpose:** The Company aims to use idle funds efficiently and achieve reasonable returns (i.e. HSBC prime rate or above).
- **Permissible Investments:** The Company may invest in (i) equity securities listed on regulated exchanges, primarily the Main Board and GEM of the Stock Exchange; (ii) equity securities of private companies; and (iii) other financial instruments including but not limited to bonds, convertible notes, and mutual funds.

Further details of permissible investments are:

- 1) **Selection Criteria:** Investments are evaluated based on (i) financial health (namely debt/equity ratio and cash flow) and (ii) growth prospects within its sector.
- 2) **Portfolio Composition:**
 - **Listed Equity Securities:** Target allocation is 55-65%. This category is listed securities.
 - **Equity Securities of Private Companies:** Target allocation is 25-35%. This category is unlisted securities.
 - **Other Financial Instruments:** Target allocation is 5-15%. This category is listed/unlisted securities. Unlisted securities in this category include:
 - Unlisted bonds (issued by non-listed companies);
 - Unlisted convertible notes (convertible into equity of private companies); and
 - Unlisted fund.
- 3) **Specific Due Diligence for Unlisted Securities:** In addition to the general selection criteria, all potential investments in equity securities of private companies or other unlisted instruments undergo an enhanced due diligence process, which includes, but is not limited to:
 - **Operational and Management Review:** A thorough assessment of the target company's management team, operational track record, corporate governance structure, and competitive positioning;
 - **Independent Valuation Analysis:** Where appropriate and practicable, the Company will engage independent, qualified professional valuers to assess the fair value of the target investment;

MANAGEMENT DISCUSSION AND ANALYSIS

- Legal and Regulatory Diligence: A review of the target's material contracts, intellectual property rights, potential litigation risks, and compliance with all relevant laws and regulations; and
 - Path to Liquidity: A clearly articulated and credible potential exit strategy, including analysis of potential timelines and routes for value realisation (e.g., strategic sale, initial public offering, or secondary market sale). Investments will not be made without a plausible exit path being identified.
- 4) Target Industries: The Company does not set target industries for each type of permissible investments. The Company does not set target industries to maintain flexibility in responding to market opportunities and emerging trends.
- **Prohibited Investments:** The Company is expressly prohibited from: (i) engaging in investments that could expose the Company to unlimited liability; (ii) trading in commodities, precious metals, or derivatives (the use of derivatives is permitted only for hedging purposes with prior approval of the board (the “**Board**”) of directors (the “**Directors**”) of the Company); and (iii) investments in businesses that conflict with the Group's core values or legal obligations.

The Group's core values include integrity, sustainability and social responsibility. “Legal obligations” refer to compliance with all applicable laws, including but not limited to sanctions laws, anti-money laundering regulations and environmental standards. Consequently, the Company is prohibited from investing in businesses involved in, for example, practices harmful to the environment.

“Practices harmful to the environment” refers to business activities that violate environmental laws or have a material adverse impact on the ecosystem. The criteria for determination are:

- 1) Engagement in industries with high environmental risk, namely, sectors primarily involved in the extraction and production of fossil fuels (e.g., coal mining, oil and gas exploration); and
- 2) Having a history of significant or repeated environmental violations leading to fines, regulatory sanctions, or official public censure.

B. Risk Management and Control Measures

The Company has established a robust risk management framework to safeguard assets, which includes the following key measures:

- **Risk Limits:** The Company adheres to strictly defined concentration limits approved by the Board. These limits cap the maximum exposure to any single investment and to asset classes deemed to have higher risk or lower liquidity, such as unlisted securities.
 - Financial investments shall not exceed 60% of the Group's total assets.
 - Single investment in an entity is capped at 30% of the Group's total assets.
 - These limits are reviewed regularly or when significant changes in the Group's financial position occur.

MANAGEMENT DISCUSSION AND ANALYSIS

Basis for determining the limits: The 60% limit on financial investments relative to total assets is based on the Group's total assets and the approved risk appetite, seeking to strike a balance between generating investment returns and ensuring sufficient capital is reserved for core business operations. The 30% limit on single investment in an entity is designed to avoid excessive exposure to individual risks and enforce portfolio diversification.

Assessment of alignment with diversified investment: The limits are in line with the Group's diversified approach. The 60% cap prevents over-reliance on investments, while the 30% single entity limit encourages allocation across multiple assets and industries.

Review frequency: Regular reviews are conducted semi-annually by the Board, in conjunction with the review of the Group's interim and annual financial results.

Significant changes in Group's position and quantitative measurement: This refers to a 25% or more decrease in total assets of the Company compared to the figure reported at the last review.

- **Counterparty Risk:**

As a financial services provider, the Company mitigates counterparty exposure by appointing its wholly owned subsidiary, Oshidori Securities Limited, as the primary custodian for all investments, enabling direct control over asset safekeeping and reducing reliance on external third-party custodians. Save for investments acquired or disposed of on the open market, the Company is exposed to counterparty risks in connection with any investment acquisition and disposal activities. This counterparty risk management framework governs the Company's approach to such risks, defined as the potential financial loss arising from a counterparty's failure to fulfill its contractual obligations, covering credit, legal, regulatory and transaction-specific risks.

Recognising the impracticability of applying rigid, one-size-fits-all quantitative parameters for such risk assessments, the framework prioritises core safeguards for all non-open-market investment acquisition and disposal transactions: verification of the legal validity of asset transfers (including confirmation of unencumbered and clear title to the relevant assets, and full compliance with all applicable regulatory and contractual transfer requirements); obtaining verified proof of funds from counterparties (to confirm they hold sufficient liquidity and valid, verified funding sources to meet all associated payment obligations); and conducting reference checks on counterparties through the Company's professional connections, including leading financial institutions such as Morgan Stanley and Julius Baer. Where necessary, the Company will also engage external financial and legal advisers. The above measures collectively ensure the rigorous and consistent mitigation of counterparty risks in all non-open-market investment acquisition and disposal activities.

- **Liquidity Management:** The portfolio is structured to maintain a high degree of liquidity. The Company prioritizes investments in liquid securities:

- Maintain at least 30% of financial investments in highly liquid assets (e.g. listed equity securities) to ensure quick conversion to cash to meet operational needs.

MANAGEMENT DISCUSSION AND ANALYSIS

- Conduct regular liquidity assessments and stress testing to ensure sufficient liquidity under varying market conditions. These stress tests are conducted monthly and model the portfolio's performance and the Group's liquidity position under various adverse scenarios.

"Highly liquid assets" means (in qualitative term) equity securities listed on the Stock Exchange or any other stock exchanges; and (in quantitative term) assets that can be converted into cash within 7 working days without significant loss of value.

The 30% ratio is determined based on the Group's historical operational cash flow needs and forward-looking projections. This level is designed to comfortably cover at least six months of projected operating expenses and other short-term obligations, providing a sufficient buffer.

The liquidity assessment and stress testing are conducted semi-annually.

C. Investment Decision-Making Process and Approval Mechanisms

Investment decisions are made through a clearly defined, multi-tiered approval process to ensure proper oversight and governance.

Investment Decision-Making Procedures are as follows:

(1) Investment Target Identification and Evaluation

- Initiation by Investment Team Members: Members of the investment team initiate the identification of suitable investments targets.
- Evaluation of Investment Target: Each investment target is evaluated based on:
 - Financial Metrics: Analysis of financial performance indicators; and
 - Market Conditions: Assessment of current market trends and conditions that may impact the investments.

(2) Capital Impact Assessment

- The investment team assesses the potential capital impact of each proposal, taking into account the financial position of the Company. This evaluation ensures that investments do not jeopardize the Company's financial ability.
- The quantitative parameter used to assess the potential capital impact is that the investment amount shall not exceed 10% of the Company's issued share capital.
- The Group's accounting department is responsible for calculating the percentage ratios for potential investments.
- Half of the investment team are Board members. To address potential conflicts of interest, the following measure is in place: when reviewing investment proposals requiring Board approval, the Executive Directors who are part of the investment team will abstain from voting.

MANAGEMENT DISCUSSION AND ANALYSIS

(3) Approval Process

- Delegated Authority (Investment Team): The investment team is authorized to review and approve investments where all applicable percentage ratios (as defined under the Listing Rules) are below 5%.
- Board Approval: Any investment proposal where any percentage ratio (as defined under the Listing Rules) is 5% or above requires the prior formal approval of the Board. Proposals submitted to the Board include detailed due diligence reports, risk assessments, and investment rationale.
- Shareholders Approval: Any investment proposal where any percentage ratio (as defined under the Listing Rules) is 25% or above requires the prior formal approval of shareholders. Details of the investment proposal will be circulated to shareholders in accordance with the Listing Rules requirements.

(4) Monitoring and Reporting

- The Board reviews the performance of the entire investment portfolio, compliance with the investment policy, and risk exposure levels twice a year. The investment team provides a comprehensive written report for these reviews.
- The bi-annual written report is submitted to the Directors and management. The Directors and management review the report to ensure compliance with investment policies and to address any identified risks promptly.

(5) Investment Monitoring and Exit Strategy

- Post-acquisition monitoring: Following an investment, the investment team is responsible for continuously monitoring its performance against the initial investment thesis. For significant unlisted investments, this may include regular meetings with the investee's management and a review of their periodic financial and operational reports.
- Exit strategy execution: The investment team periodically reviews the exit strategy for the investments in light of prevailing market conditions and the investee's performance. While the intended holding period is generally between three (3) months and two (2) years, the decision to hold or exit an investment will be based on optimising shareholder value. Should an investment significantly underperform, a further assessment will be triggered to determine the appropriate course of action. Based on the further assessment, the management will decide whether to (i) hold the position and monitor for a turnaround, (ii) pursue an orderly divestment to maximise realised value, or (iii) exit the investment immediately to cut losses and prevent further capital erosion.

(6) Policy Review

- The Board is responsible for reviewing and updating the investment policy itself annually to ensure it remains aligned with market conditions and shareholder interests.

MANAGEMENT DISCUSSION AND ANALYSIS

D. Expertise and Team Matrix

The Company's investment activities are managed by a dedicated and experienced team. Key members hold relevant licenses issued by the Securities and Futures Commission, including Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) licenses. The team possesses extensive experience in financial analysis, portfolio management, and securities trading. To ensure ongoing competency, the Company arranges regular professional training and engages external experts as necessary.

The Company's investment team has six (6) members, comprised of Executive Directors of the Company and responsible officers:

- **Executive Directors** – Three Executive Directors of the Company (namely, Wong Yat Fai, Wong Wan Men and Sam Hing Cheong). Their biographies can be found on page 20 of this Annual Report; and
- **Responsible Officers** – Three responsible officers of the Group are licensed by the SFC to conduct regulated activities including but not limited to Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management). Each of them possesses over 10 years of relevant experience, holding recognised professional qualifications. They ensure strict compliance with regulatory standards. Their key roles include day-to-day management of the investment portfolio, and monitoring investment performance.

Professional trainings are arranged quarterly. Topics covered by such trainings and their relevance to the investment team's duties are as follows:

- Portfolio management and asset allocation provides the team with techniques for optimizing investment performance;
- Accounting and financial statement analysis provides the team with a solid understanding of accounting fundamental principles for evaluating target companies;
- Board roles and directors' duties ensures compliance with regulatory obligations in investment decision;
- Legal and Listing Rules updates helps the team adhere to regulatory requirements in investment activities;
- Corporate governance and ESG training supports evaluation of investment targets' sustainability and non-financial risks;
- Risk management and internal controls training enhances the team's ability to identify and mitigate investment risks; and
- Industry development and business trend training assists in assessing investment targets' growth prospects.

MANAGEMENT DISCUSSION AND ANALYSIS

E. Enhancement of Shareholder Returns and Dividend Policy

The Company's investment activities are a core component of its strategy to enhance shareholder value. The returns generated (comprising dividends, interest income, and realized capital gains) directly contribute to the Company's profitability and retained earnings, thereby strengthening its capacity to deliver returns to shareholders.

The Board has formally adopted a dividend policy, as disclosed on page 50 of this Annual Report. This policy is designed to "strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders".

In deciding whether to propose a dividend and determining its amount, the Board shall take into account factors including, but not limited to:

- the Company's operating results and expected financial performance;
- the liquidity position, return on equity, and relevant financial covenants;
- cash flow forecasts based on working capital requirements, capital expenditure, and future expansion plans; and
- any legal or regulatory restrictions.

The income and capital appreciation from the Company's investment portfolio are key inputs into these factors, directly influencing the Company's results and liquidity. The Board is committed to this balanced approach, ensuring that the deployment of shareholder funds into investments is undertaken with a clear view of enhancing the Company's overall capacity to reward shareholders, in line with their investment expectations.

Shareholders' returns can be enhanced through two ways:

- **Capital Appreciation**
This refers to the increase in the value of shares of the Company over time. For example, the Company's investment appreciates, resulting in growth in the Company's net asset value. This can lead to a potential rise in share prices, even in the absence of dividend distribution.
- **Income Generation**
Income can be generated through dividend from the Company's investments. Although the Company has chosen to reinvest earnings rather than pay dividends, this income enhances the Group's profitability and strengthens its capital base, supporting long-term capital appreciation. There remains potential for future income if financial performance improves.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's view in capital appreciation and income generation over the immediate distribution of dividends to enhance shareholders return is supported by:

- Capital appreciation: Reinvesting earnings helps expand the investment portfolio, leading to higher net asset value and potential share price increases. Given the Group's current strategic phase, the Board believes that reinvesting capital into carefully selected growth assets offers a superior long-term total return potential for shareholders compared to the immediate distribution of dividends; and
- Income generation: Reinvested investment income strengthens the Group's capital base, enabling larger investments and higher future returns. This provides a more sustainable source of shareholder returns compared to one-time dividends.

FINANCIAL REVIEW

Review of Results

The Group recorded a total revenue of HK\$48.3 million for the Year, representing an increase of 33.8% as compared with the amount of HK\$36.1 million for the Previous Year. Income from financial services segment amounted to HK\$9.0 million (Previous Year: HK\$10.5 million). Income from tactical and/or strategical investments segment amounted to HK\$12.5 million (Previous Year: negative income of HK\$3.4 million). Income from credit and lending services segment amounted to HK\$26.8 million (Previous Year: HK\$28.9 million).

The Group recorded a net profit of HK\$178.9 million for the Year (Previous Year: net loss of HK\$194.7 million). The net profit for the Year is mainly attributable to the combined effects of: (a) the share of profit of associates of HK\$128.4 million; (b) the net unrealised fair value gain on financial assets at fair value through profit or loss of HK\$27.6 million; and (c) the reversal of impairment loss in respect of loan receivables, net of HK\$12.7 million. Basic and diluted earnings per share for the Year were HK cents 2.9 and HK cents 2.9 respectively (Previous Year: basic and diluted loss per share of HK cents 3.15 and HK cents 3.15 respectively). The net profit of financial services segment was HK\$3.1 million (Previous Year: HK\$0.3 million). The net profit of tactical and/or strategical investments segment was HK\$33.4 million (Previous Year: net loss of HK\$60.8 million). The net profit of credit and lending services segment was HK\$15.6 million (Previous Year: net loss of HK\$22.6 million).

Capital Structure

The Company has not conducted any equity fund raising activities during the Year. As at 31 December 2025, the Company has 6,183,233,139 shares in issue.

The total asset value of the Group as at 31 December 2025 was HK\$3,286.5 million (2024: HK\$3,217.8 million). The net asset value of the Group as at 31 December 2025 was HK\$3,118.9 million (2024: HK\$3,036.2 million). The net asset value per share as at 31 December 2025 was HK\$0.50 (2024: HK\$0.49). Apart from financial assets being held by the Group for its tactical and/or strategical investments, the Group also holds substantive assets which mainly comprise tangible assets such as cash and bank balances and trade, loan and other receivables.

MANAGEMENT DISCUSSION AND ANALYSIS

Charges on Group Assets

As at 31 December 2025, the Group's borrowings included margin loans of HK\$73.3 million (2024: HK\$79.8 million) and a secured bank loan of HK\$47.3 million (2024: HK\$49.3 million). The bank loan is secured by a property, the fair value of which as at 31 December 2025 was HK\$81.5 million (2024: HK\$80.4 million). The margin loans are secured by pledge of equity securities to securities brokers as collaterals, with total market value of HK\$149.0 million as at 31 December 2025 (2024: HK\$113.6 million). As at 31 December 2025, the Group's borrowings are interest bearing at HIBOR plus 1.3% per annum or at fixed rate of 7.2% per annum (2024: HIBOR plus 1.3% per annum or at a fixed rate of 7.2% per annum) and repayable on demand (2024: repayable on demand).

Liquidity and Financial Resources

The Group's cash and cash equivalents as at 31 December 2025 was HK\$403.5 million (2024: HK\$282.4 million). The cash and cash equivalents and financial assets at fair value through profit or loss in aggregate as at 31 December 2025 were HK\$576.8 million (2024: HK\$432.2 million).

The liquidity of the Group remained strong with a current ratio of 9.9 as at 31 December 2025 (2024: 7.1). The Group had a secured bank loan of HK\$47.3 million as at 31 December 2025 (2024: HK\$49.3 million) and the gearing ratio of the Group (expressed as a percentage of secured bank loan over total equity) as at 31 December 2025 was 1.5% (2024: 1.6%).

Exposure to Fluctuation in Exchange Rates and Related Hedges

Save for certain bank balances that are denominated in Renminbi ("RMB") and United States dollar ("USD"), most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollar. As at 31 December 2025, the bank balances denominated in RMB and USD amounted to HK\$14.0 million and HK\$83.5 million respectively. Therefore, the Group's exposure to the risk of foreign exchange rate fluctuations is not material. For the Year, the Group did not have any derivatives for hedging against the foreign exchange rate risk. The Directors will continue to monitor the foreign exchange exposure and will consider appropriate action to mitigate such risk, when necessary.

Capital Commitments

The Group did not have any capital commitments in respect of the acquisition of property and equipment as at 31 December 2025 (2024: Nil).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2025 (2024: Nil).

OUTLOOK AND CORPORATE STRATEGY

Looking ahead, the global economy is expected to face both positive signs and ongoing challenges. Geopolitical tensions and volatility in commodity prices continue to affect global trade and create uncertainties in the operating environment.

In response, the Group will continue to take a prudent approach. We will focus on maintaining a balanced strategy that prioritises the stability and sustainability of our existing assets, while staying flexible to seize opportunities when they arise. Our priorities are to ensure operational resilience and maintain a healthy balance sheet.

Looking forward, the Company remains cautiously optimistic. We will continue to regularly review and adjust our strategies to ensure the Group remains agile, resilient, and able to deliver sustainable value to our stakeholders in the years ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL TRANSACTIONS

(a) Disposal of shares of ZhongAn Online P & C Insurance Co., Ltd. (“ZhongAn”, stock code: 6060)

From 2 October 2024 to 26 February 2025, the Company, through its wholly owned subsidiaries, disposed of a total of 18,479,000 shares of ZhongAn through a series of transactions on the open market for an aggregate consideration of HK\$254.6 million (exclusive of transaction costs). For further details, please refer to the announcements of the Company dated 28 February 2025 and 2 May 2025.

(b) Disposal of H shares of Shengjing Bank Co., Ltd. (“Shengjing”, stock code: 2066)

The Group has accepted the voluntary conditional general cash offer in respect of an aggregate of 314,234,000 H shares of Shengjing for an aggregate consideration of HK\$502.8 million, and on 21 October 2025, the cash offer has become unconditional in all respects. For further details, please refer to the announcement of the Company dated 22 October 2025.

(c) Share swap agreement between the Company and Planetree International Development Limited (“Planetree”, stock code: 613)

On 3 November 2025, the Company entered into a share swap agreement (the “Share Swap Agreement”) with Planetree pursuant to which the Company subscribed for 189,105,535 shares (“Planetree Subscription Shares”) of Planetree for a total consideration of HK\$375.6 million, and Planetree subscribed for 760,250,187 shares (“Oshidori Subscription Shares”) of the Company for a total consideration of HK\$375.6 million. For further details, please refer to the announcements of the Company dated 3 November 2025 and 24 February 2026.

SIGNIFICANT EVENTS AFTER THE YEAR

Completion of the Share Swap Agreement took place on 26 February 2026. Upon completion, the Company issued the Oshidori Subscription Shares to Planetree, and Planetree issued the Planetree Subscription Shares to the Company.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed 22 (2024: 23) full time employees for its principal activities. The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Remuneration packages consisted of salary as well as discretionary bonus. Other benefits include medical and retirement benefits and share options.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

There was no purchase, sale or redemption of the Company’s listed shares by the Company or any of its subsidiaries during the Year.

PROFILES OF DIRECTORS AND COMPANY SECRETARY

EXECUTIVE DIRECTORS

Mr. Sam Hing Cheong (“Mr. Sam”), aged 44, has been an executive director and chairman of the Company since 1 July 2023. Mr. Sam is also a member of the nomination committee and remuneration committee of the Company, and a director of several subsidiaries of the Company. He was a non-executive director of the Company from 5 June 2020 to 30 June 2023; an executive director and chairman of the Company from 28 January 2019 to 4 June 2020; an executive director and acting chairman of the Company from 5 April 2017 to 27 January 2019; and an executive director and chief executive officer of the Company from 27 March 2012 to 5 April 2017. Additionally, he served as an executive director and the vice chairman of Blue River Holdings Limited (stock code: 498), a company listed on The Stock Exchange of Hong Kong Limited, from 1 April 2021 to 30 June 2023. Mr. Sam is also presently a practising solicitor and partner at Hauzen LLP. He holds a Bachelor of Laws with Honours and a Bachelor of Arts from the University of Waikato, New Zealand, and is admitted as a solicitor in Hong Kong, England and Wales, the British Virgin Islands and New Zealand, as well as an attorney in the Republic of the Marshall Islands.

Ms. Wong Wan Men (“Ms. Wong”), aged 41, was appointed as an executive director of the Company with effect from 28 January 2019. Ms. Wong is also a member of the nomination committee and remuneration committee of the Company. Ms. Wong holds a Bachelor of Social Science in Economics with Honours from The Chinese University of Hong Kong. Ms. Wong has over 10 years extensive experience in corporate finance advisory. Prior to joining the Group, Ms. Wong held senior positions in the corporate finance advisory division of several financial services groups in Hong Kong. Currently, she holds directorship in several subsidiaries of the Company. Ms. Wong is familiar with the operation and management of the Company and provides corporate finance advice to the Group. Ms. Wong’s contributions to financial services business of the Group have been greatly valued by the Board.

Mr. Wong Yat Fai (“Mr. Wong”), aged 66, was appointed as an executive director of the Company on 19 April 2017. He also holds directorship in several subsidiaries of the Company. Mr. Wong holds a professional diploma in banking from The Hong Kong Polytechnic University. Mr. Wong has over 13 years of working experience in an international banking group.

PROFILES OF DIRECTORS AND COMPANY SECRETARY

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hon. Chan Hak Kan, S.B.S., J.P. (“Hon. Chan”), aged 49, was appointed as an independent non-executive director of the Company on 6 April 2017. Hon. Chan is also a member of the audit committee, nomination committee and remuneration committee of the Company. He has been a member of the Hong Kong Legislative Council since October 2008 and a member of the Hong Kong Executive Council since July 2022. Hon. Chan graduated from The Chinese University of Hong Kong with a Bachelor of Social Science (Hons) degree in 1997 and a Master of Social Science (Law and Public Affairs) degree in 2003. From 2000 to 2003, Hon. Chan served as an elected member of the Sha Tin District Council. In 2012, he was appointed as a Justice of the Peace by the Chief Executive of Hong Kong and in 2021, he was awarded the Silver Bauhinia Star. From 2012 to 2018, he was a member of the Beat Drugs Fund Association. From 2017 to 2022, Hon. Chan was a member of ICAC Advisory Committee on Corruption. From 2022 to 2025, he was a member of the Advisory Board of Po Leung Kuk. Since June 2022, he is a non-executive director of The Hong Kong Mortgage Corporation Limited. Hon. Chan is currently an independent non-executive director of Xinyi Electric Storage Holdings Limited (stock code: 8328), the securities of which are listed on the GEM of the Stock Exchange, and an independent non-executive director of Imagi International Holdings Limited (stock code: 585) and China Resources Power Holdings Company Limited (stock code: 836), the respective securities of which are listed on the main board of the Stock Exchange.

Mr. Hung Cho Sing, B.B.S., (“Mr. Hung”), aged 85, was appointed as an independent non-executive director of the Company with effect from 6 April 2017. Mr. Hung is also a member of the audit committee, remuneration committee and nomination committee of the Company. He has over 30 years of experience in the film distribution industry. Mr. Hung was the founder and general manager of Delon International Film Corporation since June 2004. Mr. Hung is currently the Chairman of Hong Kong, Kowloon and New Territories Motion Picture Industry Association. In recognition of his contribution to the Hong Kong film industry, Mr. Hung was awarded the Bronze Bauhinia Star (BBS) by the Government of Hong Kong in 2005. Mr. Hung was a non-executive director of Universe Entertainment and Culture Group Company Limited (stock code: 1046) from 1 February 2019 to 31 July 2019 and Miko International Holdings Limited (stock code: 1247) from 14 April 2016 to 16 June 2023, the respective securities of which are listed on the main board of the Stock Exchange. Currently, Mr. Hung is an independent non-executive director of China Star Entertainment Limited (stock code: 326) and Harbour Digital Asset Capital Limited (stock code: 913), the respective securities of which are listed on the main board of the Stock Exchange. He is also an independent non-executive director of KOALA Financial Group Limited (stock code: 8226), the securities of which are listed on the GEM of the Stock Exchange.

Mr. Lam John Cheung-wah (“Mr. Lam”), aged 71, was appointed as an independent non-executive director of the Company with effect from 1 August 2022. Mr. Lam is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Lam has over 30 years of experience in banking, finance and investment. He holds a bachelor of business management degree from Ryerson Polytechnical Institute (currently known as Toronto Metropolitan University) in Toronto, Canada, and is a fellow of The Institute of Canadian Bankers and a fellow of The Royal Institution of Chartered Surveyors. Mr. Lam is the vice president of China Real Estate Chamber of Commerce Hong Kong and International Chapter Limited. He was a member of the 13th Guangdong Provincial Committee of the Chinese People’s Political Consultative Conference. Mr. Lam once acted as the Vice Chairman and an Executive Director of Nan Fung Property Holdings Limited in China Property Division between February 2013 and December 2021, and he has served as its advisor since January 2022. Mr. Lam is also an independent non-executive director of Wing Lee Property Investments Limited (stock code: 864), Blue River Holdings Limited (stock code: 498) and Envision Greenwise Holdings Limited (stock code: 1783), the respective securities of which are listed on the main board of the Stock Exchange, since February 2013, August 2022 and June 2023 respectively.

PROFILES OF DIRECTORS AND COMPANY SECRETARY

Mr. Yu Chung Leung (“Mr. Yu”), aged 55, was appointed as an independent non-executive director of the Company with effect from 25 July 2022. Mr. Yu is also the chairman of the audit committee, nomination committee and remuneration committee of the Company. Mr. Yu has over 28 years of experience in auditing and accounting. He holds a Master of Arts in international accounting from City University of Hong Kong. Mr. Yu is a member and an authorized supervisor of the Hong Kong Institute of Certified Public Accountants. He is a fellow member of The Association of Chartered Certified Accountants, a chartered tax adviser of The Taxation Institute of Hong Kong and a practising certified public accountant in Hong Kong. He is also a member of the Process Review Panel for the Financial Reporting Council and an appointed member of the 7th term Yuen Long District Council. Mr. Yu has been an independent non-executive director of Blue River Holdings Limited (stock code: 498), Envision Greenwise Holdings Limited (stock code: 1783) and Esprit Holdings Limited (stock code: 330) since August 2022, December 2023 and January 2025 respectively.

COMPANY SECRETARY

Ms. Liu Tsui Fong (“Ms. Liu”) was appointed as company secretary of the Company on 29 October 2019. The Company Secretary supports the Board by ensuring an unimpeded flow of information within the Board and that policies and procedures formulated by the Board are followed. Ms. Liu is responsible for advising the Board on governance matters and facilitates induction and professional development of the Directors. The appointment and dismissal of the Company Secretary are subject to the Board’s approval in accordance with the Company’s bye-laws. All members of the Board have access to the advice and services of the Company Secretary. Ms. Liu has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

REPORT OF THE DIRECTORS

The directors (the “**Directors**”) of Oshidori International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) are pleased to present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries as at 31 December 2025 are set out in note 39 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Company for the year ended 31 December 2025, which includes a discussion and analysis of the Group’s performance during the year ended 31 December 2025 and the material factors underlying its results and financial position as well as the outlook of the Company’s business are provided in the “Management Discussion and Analysis” section on pages 3 to 19 of this Annual Report. An analysis of the Group’s performance during the year ended 31 December 2025 using financial key performance indicators is provided in the “Financial Summary” section on page 148 of this Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout this Annual Report particularly in note 35 to the consolidated financial statements and the “Management Discussion and Analysis” section on pages 3 to 19 of this Annual Report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors are aware, during the year ended 31 December 2025 and up to the date of this Annual Report, the Group has complied in material respects with the relevant laws and regulations that have a significant influence on its business and operations.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

As the Group principally engages in financial services, the Group has always paid great attention to and maintained a good relationship with its customers, and has been providing quality professional and customer-oriented services for its customers. The Group’s customers are good working partners creating value for the Group. Due to the nature of the business of the Group, no specific suppliers are involved in the operation of business. The Group also values the knowledge and skills of its employees, and continues to provide favourable career development opportunities for its employees.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 57 and 58 of this Annual Report.

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

PROPERTY AND EQUIPMENT

Details of the movements in the property and equipment of the Group during the year ended 31 December 2025 are set out in note 15 to the consolidated financial statements.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 30 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of movements in reserves of the Group and the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on page 62 of this Annual Report and note 40 to the consolidated financial statements respectively. During the year ended 31 December 2025, no reserves had been utilised for distribution. As at 31 December 2025, the Company's reserves that were available for distribution to the shareholders (the "**Shareholders**") of the Company amounted to approximately HK\$2,764,559,000 (2024: HK\$2,679,176,000).

DIRECTORS

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

Executive Directors:

Mr. Sam Hing Cheong (*Chairman*)
Ms. Wong Wan Men
Mr. Wong Yat Fai

Independent Non-Executive Directors:

Hon. Chan Hak Kan, *S.B.S., J.P.*
Mr. Hung Cho Sing, *B.B.S.*
Mr. Lam John Cheung-wah
Mr. Yu Chung Leung

Pursuant to Bye-law 84(1) of the Bye-laws of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Pursuant to Bye-law 84(2) of the Bye-laws of the Company, the Directors to retire shall be those who wishes to retire and not to offer himself for re-election and those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Accordingly, Mr. Sam Hing Cheong, Ms. Wong Wan Men and Mr. Yu Chung Leung, being the Directors longest in office since their last re-election, shall retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at that meeting.

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of his independence. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

REPORT OF THE DIRECTORS

SHARE OPTION SCHEMES

(A) 2012 Share Option Scheme

On 17 May 2012, the Company adopted a share option scheme (the “**2012 Share Option Scheme**”) for the purpose of enabling the Group to (i) recognise and acknowledge the contributions that eligible persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other eligible persons; (iii) motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to eligible persons. The eligible persons under the 2012 Share Option Scheme include (a) any full time or part time employees of the Group and any directors of the Group; (b) any customer, supplier or provider of services, landlord or tenant, agent, partner, consultant, or adviser of or a contractor to or person doing business with any member of the Group; (c) the trustee of any trust the principal beneficiary of which is, or any discretionary trust the discretionary objects of which include, any person referred to in (a) or (b) above; (d) a company wholly beneficially owned by any person referred to in (a) or (b) above; and (e) such other persons (or classes of persons) as the Board may in its absolute discretion determine.

Under the 2012 Share Option Scheme, the Directors may at their discretion grant options to any eligible person to subscribe for shares in the Company. The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue. Consideration to be paid on each grant of option is HK\$1.00. The Directors may at their discretion determine the specific exercise period which should expire in any event no later than ten years from the date of grant of the relevant option. The minimum period, if any, for which an option must be held before it is vested, shall be determined by the Board in its absolute discretion. The exercise price is determined by the Directors and will be at least the highest of (i) the closing price of a share of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the date on which an option is granted; (ii) the average closing prices of a share of the Company as stated in the Stock Exchange’s daily quotation sheets for the 5 business days immediately preceding the date on which an option is granted; and (iii) the nominal value of a share of the Company on the date on which an option is granted. Further details of the 2012 Share Option Scheme were set out in the Company’s 2021 annual report.

The 2012 Share Option Scheme had a life of 10 years and expired on 17 May 2022. No further options shall thereafter be granted under the 2012 Share Option Scheme but all the then outstanding share options granted under the 2012 Share Option Scheme continue to be valid and exercisable in accordance with the terms of the 2012 Share Option Scheme. No service provider sublimit was set under the 2012 Share Option Scheme.

REPORT OF THE DIRECTORS

Details of movements in the share options of the Company granted under the 2012 Share Option Scheme during the year ended 31 December 2025 are as follows:

Name/category of grantee	Date of grant	Number of share options			Outstanding as at 31/12/2025	Exercise price per share HK\$	Exercise period
		Outstanding as at 1/1/2025	Granted during the year	Lapsed during the year			
Directors							
Wong Wan Men	22/1/2020 (Note 1)	20,000,000	-	-	20,000,000	0.865	22/1/2020 – 21/1/2030
Sub-total		20,000,000	-	-	20,000,000		
Employees (In aggregate)	29/3/2019 (Note 2)	72,000,000	-	-	72,000,000	0.820	29/3/2019 – 28/3/2029
Other participants (In aggregate) (Note 3)	22/1/2020 (Note 1)	100,000,000	-	-	100,000,000	0.865	22/1/2020 – 21/1/2030
Total		192,000,000	-	-	192,000,000		

Notes:

- (1) The closing price of the Company's shares on 21 January 2020, being the date immediately before the date on which the share options were granted, was HK\$0.86.
- (2) The closing price of the Company's shares on 28 March 2019, being the date immediately before the date on which the share options were granted, was HK\$0.80.
- (3) All the above share options were vested and exercisable immediately upon grant.

No share options were granted, exercised, cancelled or lapsed under the 2012 Share Option Scheme during the year ended 31 December 2025.

REPORT OF THE DIRECTORS

(B) 2022 Share Option Scheme

On 13 June 2022, the Company adopted a new share option scheme (the “**2022 Share Option Scheme**”). A summary of the 2022 Share Option Scheme is set out below:

(A) Purpose

To enable the Group to (i) recognise and acknowledge the contributions that eligible persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other eligible persons; (iii) motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to eligible persons.

(B) Participants

The eligible persons under the 2022 Share Option Scheme include any full time or part time employees of the Group or any directors of the Group. The Board shall (subject to the provisions of the 2022 Share Option Scheme) have absolute discretion as to whether or not to grant share options to any particular eligible persons. In exercising such discretion, the Board will assess the eligibility of the eligible persons based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future.

(C) Maximum number of shares available for issue

- (i) Subject to (iv) below, the total number of shares which may be issued upon exercise of all the options to be granted under 2022 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the shares in issue as at the date of approval of the 2022 Share Option Scheme, being 610,925,913 shares.
- (ii) Subject to (iv) below, the Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit set out in (i) above such that the total number of shares which may be issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of the shares in issue as at the date of approval to refresh such limit.
- (iii) Subject to (iv) below, the Company may seek separate approval from the Shareholders in general meeting for granting options beyond the 10% limit provided that the options granted in excess of such limit are granted only to eligible persons specifically identified by the Company before such approval is sought. In such case, the Company shall send a circular to its Shareholders containing the information required under the Listing Rules.
- (iv) The maximum number of shares which may be issued upon the exercise of all outstanding options granted but yet to be exercised under the 2022 Share Option Scheme and any other share option schemes of the Company must not exceed, in aggregate, 30% of the total number of shares in issue from time to time. No option may be granted under the 2022 Share Option Scheme or any other share option schemes of the Company if this will result in such limit being exceeded.

REPORT OF THE DIRECTORS

- (v) As at the date of this Annual Report, the total number of shares available for issue under the 2022 Share Option Scheme was 610,925,913, representing 8.8% of the total issued shares of the Company on that date.

(D) Maximum entitlement to shares of each eligible person

- (i) The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.
- (ii) Notwithstanding (i) above, any further grant of options to an eligible person in excess of the 1% limit shall be subject to approval by the Shareholders in general meeting at which that proposed grantee and his/her close associates (as defined in the Listing Rules) (or his/her associates (as defined in the Listing Rules) if such proposed grantee is a connected person (as defined in the Listing Rules) of Company) have abstained from voting. The number and the terms of the options to be granted to such eligible person shall be fixed before the Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date for grant for the purpose of calculating the exercise price.
- (iii) Where any grant of an option to a substantial Shareholder or an Independent Non-Executive Director, or any of their respective associates (as defined in the Listing Rules) and the grant will result in the total number of shares issued and to be issued upon full exercise of the options granted and to be granted (including exercised, cancelled and outstanding options but excluding lapsed options) to such person in any 12-month period up to and including the date of grant: (1) exceeding an aggregate of 0.1% of the shares in issue; and (2) having an aggregate value, based on the closing price of the shares at the date of grant, in excess of HK\$5 million, such proposed grant of options must be approved by the Shareholders in general meeting at which that proposed grantee, his/her associates (as defined in the Listing Rules) and all core connected persons (as defined in the Listing Rules) have abstained from voting.

(E) Option period

The period during which an option may be exercised as determined by the Board in its absolute discretion at the time of grant, save that such period must not exceed 10 years from the date of grant of the relevant option.

(F) Vesting period

The minimum period, if any, for which an option must be held before it is vested, shall be determined by the Board in its absolute discretion. The 2022 Share Option Scheme itself does not specify any minimum holding period.

(G) Payment on acceptance of the option and period for acceptance

HK\$1.00 (or such other nominal sum in any currency as the Board may determined) is payable by the grantee to the Company on acceptance of the option. An offer must be accepted within 25 days from the date of the offer.

REPORT OF THE DIRECTORS

(H) Basis of determining the subscription price

The exercise price shall be determined by the Board in its absolute discretion at the time of grant of the relevant option but shall not be less than the highest of: (i) the closing price of a share of the Company as stated in the Stock Exchange's daily quotations sheet on the date on which an option is granted; (ii) the average closing prices of a share of the Company as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date on which an option is granted; and (iii) the nominal value of a share of the Company on the date on which an option is granted.

(I) Remaining life

The life span of the 2022 Share Option Scheme is 10 years commencing from 13 June 2022 and will expire on 13 June 2032.

At the beginning and the end of the year ended 31 December 2025, the maximum number of options available for grant under the 2022 Share Option Scheme were both 610,925,913, representing 9.9% of the total issued shares of the Company on that dates respectively. No service provider sublimit was set under the 2022 Share Option Scheme. No share options were granted under the 2022 Share Option Scheme during the year ended 31 December 2025.

During the year ended 31 December 2025, no share options were granted, exercised, cancelled or lapsed under the 2022 Share Option Scheme. Also, there were no outstanding share options granted under the 2022 Share Option Scheme at the beginning and at the end of the year ended 31 December 2025.

SHARE AWARD SCHEME

The share award scheme (the “**Share Award Scheme**”) was adopted by the Shareholders at a special general meeting of the Company held on 19 December 2019. The objectives of the Share Award Scheme are: (i) to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group's existing and other new potential business; and (ii) to attract suitable personnel with relevant experience in the Group's existing and other new potential business. The eligible participants under the Share Award Scheme are any employee (whether full time or part time), consultant, executive or officers, directors (including any executive director, non-executive director and independent non-executive director) and senior management of any member as well as any customer or supplier of the Group, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group.

The maximum number of awarded shares that may be issued under the Share Award Scheme shall be 10% of the issued share capital of the Company at the adoption date of the Share Award Scheme, being 581,176,628 shares. Subject always to the said scheme limit, a limit equal to 3% of the Company's issued share capital as at the date on which the specific mandate is approved by the Shareholders as the maximum number of awarded shares which can be issued. The Company may, on an annual basis, seek Shareholders' approval to refresh such share award mandate. As at the date of this Annual Report, no shares are available for issue under the Share Award Scheme. The maximum aggregate number of shares which may be awarded to a selected grantee shall not exceed 1% of the issued share capital of the Company from time to time. The Board is entitled to impose any condition(s) as it deems appropriate in its absolute discretion with respect to the vesting of the awarded shares (including the vesting period). Selected grantees are not required to make any payment to accept an award and the subscription price will be paid by the Company. The basis of determining the purchase price of shares awarded is not applicable.

REPORT OF THE DIRECTORS

The Share Award Scheme will remain in force for a period of 10 years until 18 December 2029. As the Company has not sought Shareholders' approval to refresh the share award mandate since its expiry on 12 June 2023, there were no awarded shares that may be granted under the Share Award Scheme at the beginning and the end of the year ended 31 December 2025. No service provider sublimit was set under the Share Award Scheme. No awarded shares were granted under the Share Award Scheme during the year ended 31 December 2025.

During the year ended 31 December 2025, no awarded shares were granted, vested, cancelled or lapsed under the Share Award Scheme. Also, there were no outstanding awarded shares granted under the Share Award Scheme at the beginning and at the end of the year ended 31 December 2025.

REPORT OF THE DIRECTORS

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

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Name of director	Nature of interests	Number of shares held (Note 1)	Number of underlying shares held (Note 1)	Total number of underlying shares held	Approximate percentage of issued shares of the Company (Note 2)
Wong Wan Men	Personal interests	10,000,000	20,000,000 (Note 3)	30,000,000	0.49%

Notes:

- (1) The above interests in the shares and underlying shares of the Company are long positions. None of the Directors and chief executive of the Company had any short positions in the shares, underlying shares or debentures of the Company as at 31 December 2025.
- (2) As at 31 December 2025, the Company's total number of issued shares was 6,183,233,139.
- (3) The 20,000,000 shares represent Wong Wan Men's interests in share options granted by the Company. Wong Wan Men is the beneficial owner of such share options. Details of such share options are set out in the “Share Option Schemes” section above.

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

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

Save as disclosed in this Annual Report, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors and chief executive of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and chief executive of the Company (including any of their spouses or children under the age of 18) were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' SERVICE CONTRACT

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2025, none of the Directors is interested in any businesses (apart from the Group's businesses) which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed, no transactions or arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme and share award scheme of the Company as disclosed under the sections headed "Share Option Schemes" and "Share Award Scheme" in this directors' report and note 31 to the consolidated financial statements, and the share swap agreement dated 3 November 2025, as disclosed under the section headed "Significant Event After the Reporting Period" in this directors' report, the Company has not entered into any equity-linked agreement during the year ended 31 December 2025.

PERMITTED INDEMNITY PROVISION

The Bye-laws of the Company provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any Directors. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, there were no transactions which need to be disclosed as connected transactions pursuant to Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 33 to the consolidated financial statements. Those related party transactions did not constitute connected transactions under the Listing Rules.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of any business of the Company were entered into during the year or subsisted at the end of the year.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

At 31 December 2025, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of ordinary shares held (Note 1)	Total	Approximate percentage of issued shares of the Company (Note 2)
Lo Ki Yan, Karen (“ Ms. Lo ”)	(i) Interest of controlled corporation	1,332,069,187 (Note 3)	1,332,387,187	21.55%
	(ii) Beneficial owner	318,000		
Seekers Creation Limited	Beneficial owner	1,215,296,600	1,215,296,600	19.65%
Planetree International Development Limited (“ Planetree ”)	(i) Interest of controlled corporation	318,820,000	1,079,070,187	17.45%
	(ii) Beneficial owner	760,250,187 (Note 3)		
Zaotos Capital Limited (“ Zaotos Capital ”)	(i) Interest of controlled corporation	372,574,100 (Note 4)	378,214,100	6.12%
	(ii) Beneficial owner	5,640,000		
Hope Securities Limited (“ Hope Securities ”)	Beneficial owner	372,574,100 (Note 4)	372,574,100	6.03%

Notes:

- All of the above interests in the shares of the Company are long positions.
- As at 31 December 2025, the Company’s total number of issued shares was 6,183,233,139.
- The 1,332,069,187 shares include the interest of Planetree in 1,079,070,187 shares. Of those 1,079,070,187 shares, as at 31 December 2025, 760,250,187 shares were to be issued under the share swap agreement dated 3 November 2025 as detailed under the section headed “Significant Event After the Reporting Period” in this directors’ report.
- Zaotos Capital is deemed to be interested in those shares by virtue of its direct control of Hope Securities.

Save as disclosed above, as at 31 December 2025, the Company has not been notified of any interests or short positions in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the five largest customers of the Group and the single largest customer of the Group accounted for about 49% and 14% of the Group's revenue from continuing operations (excluding revenue from securities trading and investments) respectively. As the Group had no significant purchases from continuing operations during the year, the Group did not have any major suppliers for the year ended 31 December 2025.

As far as the Directors are aware, none of the Directors, their close associates, within the meaning of the Listing Rules, or those shareholders which to the knowledge of the Directors own more than 5% of the number of issued shares of the Company have an interest in any of the five largest customers of the Group for the year ended 31 December 2025.

DONATIONS

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

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is set up by the remuneration committee of the Company (the "**Remuneration Committee**") and is based on their merit, qualifications and competence. The emoluments of the Directors of the Company are reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Remuneration Committee will make recommendation to the Board on the emoluments of the Directors.

The Company has adopted a share option scheme and a share award scheme as an incentive to Directors and eligible employees, details of the schemes are set out in note 31 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no restriction against such rights under the laws in Bermuda.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2025.

REPORT OF THE DIRECTORS

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 3 November 2025, the Company entered into a share swap agreement (the “**Share Swap Agreement**”) with Planetree pursuant to which the Company subscribed for 189,105,535 shares of Planetree for a total consideration of HK\$375.6 million whereas Planetree subscribed for 760,250,187 shares of the Company for a total consideration of HK\$375.6 million. Completion of the Share Swap Agreement took place on 26 February 2026. For further details, please refer to the announcements of the Company dated 3 November 2025 and 24 February 2026.

CORPORATE GOVERNANCE

During the year ended 31 December 2025, the Company has complied with the code provisions of the Corporate Governance Code set out in Appendix C1 of the Listing Rules.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company’s performance in various environmental and social aspects during the year ended 31 December 2025 is set out in the Environmental, Social and Governance Report which is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.oshidoriinternational.com).

AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Company was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises four Independent Non-Executive Directors. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditor to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The annual results of the Group for the year ended 31 December 2025 had been audited by the Company’s auditor, Forvis Mazars CPA Limited, and had been reviewed by the Audit Committee.

Details of the Company’s Audit Committee are set out in Corporate Governance Report on page 43 of this Annual Report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2025 have been audited by Forvis Mazars CPA Limited. A resolution will be submitted to the forthcoming annual general meeting to re-appoint Forvis Mazars CPA Limited.

On behalf of the Board

Oshidori International Holdings Limited

Sam Hing Cheong

Executive Director and Chairman

Hong Kong, 30 March 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Oshidori International Holdings Limited (the “**Company**”) is dedicated to maintaining good and credible corporate governance practices with a view to being transparent, open and accountable to our shareholders, as well as to the stakeholders of the Company.

STATEMENT OF COMPLIANCE

During the year ended 31 December 2025 (the “**Year**”), the Company has complied with the code provisions of the Corporate Governance Code (the “**Code**”) set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

BOARD OF DIRECTORS

Composition

As at the date of this Annual Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company comprises 7 members, including three Executive Directors, namely Mr. Sam Hing Cheong (Chairman), Ms. Wong Wan Men and Mr. Wong Yat Fai and four Independent Non-Executive Directors representing at least one-third of the Board, namely Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung. Of the four Independent Non-Executive Directors appointed, at least one or more has appropriate professional accounting experience and related financial management expertise. There is no financial, business, family or other material relationship between any members of the Board.

All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographical details of each Director are disclosed in pages 20 to 22 of this Annual Report.

Each Independent Non-Executive Director has provided a written confirmation to the Company about his independence and the Company considers each of them to be independent.

Pursuant to the Bye-laws of the Company (the “**Bye-laws**”), the Directors (including the Independent Non-Executive Directors) are subject to retirement by rotation at least once every three years at the annual general meeting of the Company and are eligible for re-election. In addition, any Director appointed by the Board during a year shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

The term of office of Hon. Chan Hak Kan and Mr. Hung Cho Sing (Independent Non-Executive Directors) is for a period of one year and subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Lam John Cheung-wah and Mr. Yu Chung Leung (Independent Non-Executive Directors) were appointed for a term of not more than three years, and are subject to retirement by rotation under the Bye-laws.

In accordance with Bye-laws 84(1) and 84(2) of the Bye-laws, Mr. Sam Hing Cheong, Ms. Wong Wan Men and Mr. Yu Chung Leung will retire by rotation at the forthcoming annual general meeting. All the retiring directors, being eligible, will offer themselves for re-election thereat.

CORPORATE GOVERNANCE REPORT

Changes in information in respect of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the Company's Interim Report 2025 and up to the date to this Annual Report are set out below:

Hon. Chan Hak Kan ceased to be a member of the Advisory Board of Po Leung Kuk with effect from 31 December 2025.

Responsibilities of the Board and Management

The Board is responsible for providing high-level guidance and effective oversight of the management of the Company, and formulation and approval of the Group's development, business strategies, policies, annual budgets and business plans, recommendation of any dividend, and supervision of management in accordance with the regulations governing the meetings of the Board and the Bye-laws.

Executive Directors are responsible for day-to-day management of the Company's operations. They conduct meetings with the management of the Group, at which operational issues and financial performance are evaluated.

The Company considers the essential of internal control system and risk management function and the Board plays an important role in the implementation and monitoring of internal control and risk management.

Matters specifically decided by the Board and those reserved for the management, such as daily management administration and operation of the Company, etc., are reviewed by the Board. The management shall report back to the Board. The procedure to enable Directors to seek independent professional advice in appropriate circumstances, at the Company's expenses, was established.

The Bye-laws contain provisions regarding responsibilities and operational procedures of the Board. The Board meets regularly to consider operational reports and policies and financial results of the Company. Significant operational policies have to be discussed and passed by the Board.

CORPORATE GOVERNANCE REPORT

During the Year, the Board held ten (10) Board meetings and one (1) general meeting. Due notice and the Board papers were given to all Directors prior to each meeting in accordance with the Code and the Bye-laws. Details of individual attendance of Directors are set out below:

	Number of meeting(s) attended during the Year	
	Board meeting	General meeting
Executive Directors		
Mr. Sam Hing Cheong (<i>Chairman</i>)	10/10	1/1
Ms. Wong Wan Men	10/10	1/1
Mr. Wong Yat Fai	10/10	1/1
Independent Non-Executive Directors		
Hon. Chan Hak Kan	9/10	1/1
Mr. Hung Cho Sing	10/10	1/1
Mr. Lam John Cheung-wah	10/10	1/1
Mr. Yu Chung Leung	10/10	1/1

Directors' Induction and Continuous Professional Development

On appointment to the Board, each newly appointed Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and management to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, companies ordinance/act and corporate governance practices organised by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

From time to time, Directors are provided with written materials to develop and refresh their professional skills. The Company also gives briefings to the Directors on the latest development of applicable laws, rules and regulations to assist them in discharging their duties.

CORPORATE GOVERNANCE REPORT

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the Code on continuous professional development during the Year:

	Read materials	Attended presentation/ briefings/ in-house workshop
Executive Directors		
Mr. Sam Hing Cheong (<i>Chairman</i>)	✓	✓
Ms. Wong Wan Men	✓	✓
Mr. Wong Yat Fai	✓	✓
Independent Non-Executive Directors		
Hon. Chan Hak Kan	✓	✓
Mr. Hung Cho Sing	✓	✓
Mr. Lam John Cheung-wah	✓	✓
Mr. Yu Chung Leung	✓	✓

During the Year, the Company gave briefing to the Directors on new corporate governance requirements, arranged for the Directors to receive training on various topics (including notifiable transaction rules, duties of directors and role and function of board committees, and risk management and internal controls), and provided the Directors with materials on regulatory updates, and anti-money laundering regulations, which enhance greater awareness and understanding of the compliance with the regulatory development.

Roles and responsibilities of the Chairman and Chief Executive

The roles of Chairman and Chief Executive Officer are performed by different individuals. Mr. Sam Hing Cheong is the Chairman. The role of the Chief Executive Officer has been performed collectively by all the other Executive Directors (namely Ms. Wong Wan Men and Mr. Wong Yat Fai).

The Chairman provides leadership for the Board and oversee the Board so that it acts in the best interest of the Group and its Shareholders. The Chairman is responsible for deciding the agenda of each Board meeting, taking into account matters proposed by other Directors. The Chairman has overall responsibility for providing leadership, vision and direction regarding business development. During the Year, the Chairman has held a meeting with the Independent Non-Executive Directors without the presence of the other Directors.

The other Executive Directors are responsible for the day-to-day business management and operations of the Group for formulating and successfully implementing policies and for maintaining an effective executive support team. They are accountable to the Board for keeping the Chairman and all Directors fully informed of all major business developments and issues.

CORPORATE GOVERNANCE REPORT

Responsibilities of Directors

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Group. Their responsibilities include:

- attending regular board meetings and focusing on business strategy, operational issues and financial performance;
- active participation on the respective boards of directors of the subsidiaries and associated companies of the Company;
- approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;
- monitoring the quality, timeliness, relevance and reliability of internal and external reporting;
- monitoring and managing potential conflicts of interest of senior management, Board and shareholders of the Company;
- consideration of misuse of corporate assets and abuse in related party transaction; and
- ensuring processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

To enable the Directors to fulfill their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.

Corporate Governance Functions

The Board is responsible for performing the following corporate governance duties as required under the Code:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Company's compliance with the Code and disclosure in the corporate governance report.

CORPORATE GOVERNANCE REPORT

During the Year, the Board considered the following corporate governance matters:

- amended the terms of reference of the Nomination Committee;
- reviewed the trainings for Directors and senior management, and code of conduct, etc;
- reviewed the compliance with the Code and the disclosure in the Corporate Governance Report for the year ended 31 December 2024;
- reviewed the effectiveness of the internal control and risk management systems of the Company through the Audit Committee; and
- reviewed the implementation and effectiveness of (a) the Company's board diversity policy; (b) the Company's shareholders' communication policy; and (c) the Company's mechanisms to ensure independent views and input are available to the Board.

Independent Views and Input

The Company has put in place the following mechanisms to ensure independent views and input are available to the Board. During the Year, the Board reviewed the implementation and effectiveness of such mechanisms, and considered them effective.

- **Board and Board Committee' Structure**
 - the Board comprises a majority of Independent Non-Executive Directors. The Board comprises three Executive Directors and four Independent Non-Executive Directors;
 - all the members of the Audit Committee are Independent Non-Executive Directors;
 - majority of the members of the Nomination Committee and Remuneration Committee comprises Independent Non-Executive Directors;
 - there is no financial, business, family or other material relationship between members of the Board;
- **Appointment of Independent Non-Executive Directors**
 - appointment of new Directors (including Independent Non-Executive Directors) are first considered by the Nomination Committee. In considering the appointment, the Nomination Committee applies criteria such as professional and educational background, relevant experience, and qualifications. The recommendations of the Nomination Committee are then put to the Board for consideration and approval;
- **Annual Review of Independence of Independent Non-Executive Directors**
 - independence of Independent Non-Executive Directors is assessed annually by the Nomination Committee;
- **Time Commitments of Independent Non-Executive Directors**
 - directors' attendance records are disclosed in this Annual Report;
- **Conflict of Interest**
 - director who has a conflict of interest in a matter to be considered by the Board which the Board determined to be material, that Director will abstain from voting in accordance with the Bye-laws; and

CORPORATE GOVERNANCE REPORT

- **Professional Advice**
 - to facilitate proper discharge of their duties, all Directors are entitled to seek advice from independent professional advisers at the Company's expense.

BOARD COMMITTEES

The Board currently has three board committees, namely Audit Committee, Nomination Committee and Remuneration Committee, with specific terms of reference relating to authority and duties, to strengthen the Board's functions and enhance its expertise.

Remuneration Committee

As at the date of this Annual Report, the Remuneration Committee comprises two Executive Directors, Mr. Sam Hing Cheong and Ms. Wong Wan Men, and four Independent Non-Executive Directors, Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung and is chaired by Mr. Yu Chung Leung.

The terms of reference of the Remuneration Committee are available on the website of the Company at www.oshidoriinternational.com.

The Remuneration Committee's responsibilities mainly include the reviewing, considering and making recommendation to the Board on (i) the Company's remuneration policy for Directors and senior management, (ii) remuneration packages for individual Executive Directors and senior management including benefits in kind, pension rights and compensation payments, and (iii) remuneration of Non-Executive Directors, as well as reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, etc.

During the Year, the Remuneration Committee:

- reviewed the remuneration of Directors;
- reviewed the remuneration policy of the Company; and
- approved the revised annual remuneration of the Independent Non-Executive Directors.

The Remuneration Committee held two (2) meetings during the Year with individual attendance as follows:

Members of Remuneration Committee	Number of meeting(s) attended
Hon. Chan Hak Kan	2/2
Mr. Hung Cho Sing	2/2
Mr. Lam John Cheung-wah	2/2
Mr. Sam Hing Cheong	2/2
Ms. Wong Wan Men	2/2
Mr. Yu Chung Leung (<i>Chairman</i>)	2/2

Details of Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in note 12 to the consolidated financial statements of the Group for the Year.

CORPORATE GOVERNANCE REPORT

Audit Committee

As at the date of this Annual Report, the Audit Committee comprises four Independent Non-Executive Directors, namely Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung and is chaired by Mr. Yu Chung Leung.

The Audit Committee reports directly to the Board. The main responsibilities of the Audit Committee include oversight of the Group's financial reporting system, risk management and internal control systems, and review of the Group's financial information.

The Audit Committee meets regularly with the Company's external auditor twice a year to discuss audit process and accounting issues, and reviews effectiveness of internal control and risk evaluation. Written terms of reference, which describe the authority and duties of the Audit Committee are regularly reviewed and updated by the Board.

During the Year, the Audit Committee:

- reviewed the consolidated financial statements of the Group for the year ended 31 December 2024 and for the six months ended 30 June 2025;
- reviewed the effectiveness of the internal control and risk management systems;
- reviewed the external auditor's audit findings; and
- reviewed and approved the remuneration of auditor for 2025 and recommended the re-appointment of auditor.

As at 31 December 2025, the arrangement for employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters was in place. No reporting has been received by the Audit Committee during the Year.

Also, as at 31 December 2025, policies and systems that promote and support anti-corruption laws and regulations were in place.

The Audit Committee held two (2) meetings during the Year. Details of individual attendance of its members are as follows:

Members of Audit Committee	Number of meeting(s) attended
Hon. Chan Hak Kan	2/2
Mr. Hung Cho Sing	2/2
Mr. Lam John Cheung-wah	2/2
Mr. Yu Chung Leung (<i>Chairman</i>)	2/2

CORPORATE GOVERNANCE REPORT

Nomination Committee

As at the date of this Annual Report, the Nomination Committee comprises two Executive Directors, Mr. Sam Hing Cheong and Ms. Wong Wan Men, and four Independent Non-Executive Directors, namely Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung and is chaired by Mr. Yu Chung Leung.

The terms of reference of the Nomination Committee are available on the website of the Company at www.oshidoriinternational.com.

The Nomination Committee's responsibilities mainly include the reviewing and recommending the structure, size and composition of the Board and recommending any change thereon; assessing the independence of Independent Non-Executive Directors and recommending the re-election of Directors, etc. For compliance with the new corporate governance requirements, the Company updated terms of reference of the Nomination Committee in June 2025 to add a number of additional requirements including assisting the Board in maintaining a Board skills matrix, reviewing each Director's time commitment and contribution, and supporting the Company's regular evaluation of the Board's performance.

During the Year, the Nomination Committee:

- reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;
- assessed the independence of Independent Non-Executive Directors; and
- reviewed and made recommendations to the Board on re-election of retiring Directors at the 2025 Annual General Meeting.

The Nomination Committee held one (1) meeting during the Year with individual attendance as follows:

Members of Nomination Committee	Number of meeting(s) attended
Hon. Chan Hak Kan	1/1
Mr. Hung Cho Sing	1/1
Mr. Lam John Cheung-wah	1/1
Mr. Sam Hing Cheong	1/1
Ms. Wong Wan Men	1/1
Mr. Yu Chung Leung (<i>Chairman</i>)	1/1

Appointments of new Directors are first considered by the Nomination Committee. The Nomination Committee assesses the candidates on criteria such as integrity, independent mindedness, experience, skill and ability to commit time and effort to carry out their duties and responsibilities effectively as well as the independence factors set out in the Listing Rules, etc., and makes recommendation to the Board for approval. Thereafter, all Directors appointed to fill casual vacancy are subject to election by shareholders at the next annual general meeting after their appointment.

CORPORATE GOVERNANCE REPORT

DIVERSITY OF THE BOARD AND WORKFORCE

The Company formulated the board diversity policy in August 2013 aiming at setting out the approach on diversity of the Board of the Company.

The Board recognizes the importance of having a diverse Board in enhancing the board effectiveness and corporate governance. A diverse Board will include and make good use of differences in the skills, industry knowledge and experience, education, background and other qualities, etc of Directors and does not discriminate on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Nomination Committee has responsibility for identifying and nominating for approval by the Board, candidates for appointment to the Board. It takes responsibility in assessing the appropriate mix of experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and reviewing effectiveness of the Board.

The Nomination Committee is also responsible for reviewing the board diversity policy and setting any measureable objectives from time to time, and reporting to the Board in relation to recommendations to improve Board diversity.

Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates to join the Board will be, in part, dependent on the pool of candidates with the necessary knowledge, experience, skills, educational background and other qualities. The final decision will be based on merit and contribution the chosen candidate will bring to the Board.

The Board considers that Board diversity, including gender diversity, to be achieved. The Board currently consists of individuals from a diverse background and have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity.

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. As at 31 December 2025, 55% of the total workforce were male employees and 45% were female employees. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service, and the Group will make sure achieving gender diversity across the workforce.

During the Year, the Board reviewed the implementation and effectiveness of the Company's board diversity policy, and is satisfied with the results of the review.

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the Year, all Directors have complied with the required standard set out in the Model Code.

The Company has also established written guidelines regarding securities transaction on no less exacting than the terms of the Model Code for senior management and specific individual who may have access to inside information in relation to the securities of the Company.

EXTERNAL AUDITOR

Forvis Mazars CPA Limited (“**Forvis Mazars**”) provided professional services in respect of the audit of the Company’s consolidated financial statements prepared under Hong Kong Financial Reporting Standards for the Year.

Fee charged by Forvis Mazars in respect of audit service for the Year amounted to HK\$1,880,000. Non-audit services fees charged by Forvis Mazars and its associate firms for the Year were as follows:

Description of service performed	Fee <i>HK\$'000</i>
Report on agreement with the annual results announcement of the Company for the Year	10
Attending the annual general meeting of the Company	10
Professional services in connection with the environmental, social and governance review	105
Professional services in connection with the interim review	298
Professional services in connection with handling tax enquiry	174

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to establish good corporate governance that ensures legal and regulatory compliance of the Company. The Board acknowledges that it has the overall responsibility for establishing and maintaining sound and effective risk management and internal control systems, as well as reviewing their effectiveness, and evaluating and determining the nature and extent of the risks that the Company shall take in achieving its strategic objectives.

The risk management and internal control functions of the Company include the following elements:

- identify significant risks that may potentially impact the Company's performance;
- introduce appropriate controls to manage identified risks; and
- monitor and review the effectiveness of such measures.

The risk management and internal control systems of the Company is largely top-down, involving the Board, the Audit Committee, and key business units. These parties all play important roles in the system. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and aim to provide a reasonable, as opposed to an absolute, assurance against material misstatement or loss.

Risk assessment is performed annually to identify and evaluate significant risks of the Group and the results of which are reported to the Board for considering any risk mitigation actions and controls through the Audit Committee. Appropriate risk mitigation actions are being taken to manage and control individual risks identified.

The internal control system also includes control procedures implemented to ensure authorised access and the confidentiality of inside information. The Company has developed a disclosure policy which provides a guidance to the Directors, management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries.

For the Year, the Company has engaged an external independent professional consultant to carry out the internal audit function. The consultant has conducted an annual review of and made recommendations to improve the effectiveness of the Group's risk management and internal control systems.

Key issues in relation to financial, information technology, operational and compliance controls have been examined during the Year and discussed with the management, on which findings and recommendations for improvement have been provided to the Audit Committee. The Company will be carrying out these recommendations as appropriate, and ongoing review of the same will be conducted in subsequent years.

During the Year, the Board has reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions, as well as those relating to the Group's ESG performance and reporting, and is satisfied with the results of the review.

Also, during the Year, the Board has conducted a review of the effectiveness of the Group's risk management and internal control systems, and was of the view that the risk management and internal control systems of the Group were effective and adequate. Such review covers all material controls, including financial, operational and compliance controls.

CORPORATE GOVERNANCE REPORT

GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue its operational existence for a foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(a) Procedures for requisitioning a special general meeting

Shareholder(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company may, by written requisition to the Board or the company secretary of the Company signed and deposited in accordance with the Bye-laws and Bermuda Companies Act 1981, require the Directors to call a special general meeting for the transaction of business specified in the requisition.

(b) Procedures for putting forward proposals at general meetings

Shareholder(s) holding not less than one-twentieth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company or not less than 100 shareholders may, at their expense, provide a written request to the attention of the company secretary of the Company signed and deposited in accordance with the Bermuda Companies Act 1981.

(c) Communication with shareholders and investors

To ensure effective communication with shareholders and investors, the Company have formulated a shareholders' communication policy which is regularly reviewed to ensure its effectiveness.

Shareholders are provided with detailed information about the Company in the announcement, annual/interim report and/or circular so that they can exercise their rights in an informed manner.

The Company uses a range of communication tools, such as the annual general meeting, the annual report, various notices, announcements and circulars, to ensure the Shareholders are kept well informed of key business imperatives. Procedures for conducting a poll are explained by the chairman of the meeting at the general meetings of the Company held during the Year.

General meetings of the Company provide a direct forum of communication between Shareholders and the Board. Shareholders are welcome to put forward enquiries to the Board or the management thereat and the Chairman of the Board, or in his absence, an Executive Director of the Company, as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the Independent Board Committee, will commonly be present and available to answer questions and Shareholders may also contact the company secretary of the Company to direct their written enquiries.

The Company is committed to enhancing communications and relationships with its investors. Designated management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's developments.

CORPORATE GOVERNANCE REPORT

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

Address: 25th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong
Fax: (852) 2704 2181
Email: info@oshidoriinternational.com

In addition, procedure for Shareholders to propose a person for election as a Director of the Company is available on the Company's website at www.oshidoriinternational.com. The above procedures are subject to the Bye-laws and applicable laws and regulations.

At the 2025 Annual General Meeting, a resolution was proposed by the chairman of the meeting in respect of each separate issue itemised in the notice, including re-election of retiring Directors. All Directors (including the chairmen of the Board, Remuneration Committee, Audit Committee and Nomination Committee) and the representatives of Forvis Mazars attended the 2025 Annual General Meeting.

During the Year, the Board reviewed the implementation and effectiveness of the Company's shareholders' communication policy. Having considered the Company's corporate communication channels, the Board is satisfied that the policy has been properly implemented and is effective.

CONSTITUTIONAL DOCUMENTS

There were no changes to the Company's Memorandum and Bye-laws during the Year.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company intends to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders. A dividend policy of the Company (the “**Dividend Policy**”) had been adopted in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

- the Company’s operating results;
- the liquidity position, the level of liquid ratio, return on equity and the relevant financial covenants;
- the expected financial performance;
- the cash flow forecast based on expected working capital requirements, expected capital expenditure requirements and any future expansion plans;
- any restrictions on payment of dividend with reference to any applicable laws, rules and regulations and the Bye-laws; and
- any other factors that the Board may deem appropriate and relevant.

Any declaration and payment of dividend under the Dividend Policy are subject to Board’s determination that the same would be in best interest of the Company and the Shareholders as a whole.

The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time. The Board will review the Dividend Policy from time to time and may exercise at its sole discretion to amend and/or modify the Dividend Policy at any time as appropriate.

DIRECTORS’ AND AUDITOR’S RESPONSIBILITIES IN PREPARING AND REPORTING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Group and of the profit and cash flows of the Group for the Year. The statement of the auditor regarding reporting responsibility for the financial statements is set out in the Independent Auditor’s Report on pages 51 to 56.

INDEPENDENT AUDITOR'S REPORT

Forvis Mazars CPA Limited
富睿瑪澤會計師事務所有限公司

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Email 電郵: info.hk@forvismazars.com
Website 網址: forvismazars.com/hk

The logo for Forvis Mazars, featuring the word "forvis" in a lowercase, sans-serif font above the word "mazars" in a larger, bold, lowercase, sans-serif font.

To the members of Oshidori International Holdings Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Oshidori International Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 57 to 147, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, 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 financial position of the Group as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance (“**HKCO**”).

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the “*Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements*” section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities, 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, we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key Audit Matters

How our audit addressed the key audit matters

Valuation of unlisted financial assets designated at fair value through other comprehensive income ("Designated FVOCI")

As at 31 December 2025, the Group has unlisted Designated FVOCI of approximately HK\$494,119,000. Management engaged independent qualified professional valuer (the "Valuer") to perform valuations on certain financial assets at the end of the reporting period.

We identified the valuation of unlisted Designated FVOCI as a key audit matter due to the significant management judgement associated with determining the fair value.

Details of the related disclosures of unlisted Designated FVOCI are set out in notes 4, 18 and 36 to the consolidated financial statements.

Our key procedures in relation to management's assessment on the valuation of unlisted Designated FVOCI included:

- Obtained an understanding of the management's internal control and assessment process of valuation of these investments and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of subjectivity of the management judgments and assumptions applied;
- Based on the results of risk assessments to review the reasonableness of the valuation by assessing the model, inputs and key assumptions adopted, as appropriate;
- Evaluating the competence, capabilities and objectivity of the Valuer;
- Obtaining an understanding of the valuation process and evaluating the appropriateness techniques based on our industry knowledge and market practices;
- Checking the accuracy of the key input data, on a sample basis, used in the valuation; and
- Assessing the reasonableness of key assumptions and variables by comparing with historical results, published market and industry data and the underlying source documentation, including external report relevant for valuation.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key Audit Matters

How our audit addressed the key audit matters

Loss allowance for expected credit loss ("ECL") on loan and interest receivables from credit and lending business

We identified the loss allowance for ECL on loan and interest receivables from money lending business as a key audit matter due to the significance of carrying amounts of loan and interest receivables to the consolidated financial statements and the application of significant judgement by the management in evaluating the recoverability and creditworthiness of the borrowers.

Management assessed the provision for ECL of loan and interest receivables based on probability-weighted estimate of credit losses over the expected life of these receivables and where there are any events or changes in circumstances indicate a detrimental impact on the estimated future cash flows of these balances.

In particular, as detailed in note 35 to the consolidated financial statements, the Group has concentration of credit risk as the exposure of the largest client and the five largest clients represents 18% and 80% of the total loans to money lending clients as at 31 December 2025 respectively. As any impairment of such receivables will have a significant impact on the Group's financial position and financial performance, we consider impairment assessment of such receivables as a key audit matter.

The carrying value of the loan and interest receivables from money lending business was approximately HK\$830,897,000 as at 31 December 2025, in respect of which loss allowance of approximately HK\$22,599,000 on ECL has been made as of 31 December 2025. Further details are set out in notes 4, 24 and 35 to the consolidated financial statements.

Our key audit procedures in relation to management's recoverability assessment of loan and interest receivables from money lending business included:

- Understanding the established policies and procedures on credit risk management of loan and interest receivables from credit and lending business;
- Evaluating the design of risk assessment with respect to the identification of receivables with overdue or default payments or insufficient collateral; and
- Assessing management's judgement over the ECL and creditworthiness of the borrowers by assessing the available information, such as background information of the borrowers, recoverable amount of pledged collateral, past collection history of borrowers, concentration risk of borrowers, the Group's actual loss experience, forward-looking information and subsequent settlement of the loan and interest receivables.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (as amended), 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 HKSAAs 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 HKSA's, 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 activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 30 March 2026

The engagement director on the audit resulting in this independent auditor's report is:

Lam Ka Ki
Practising Certificate Number: P08258

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue			
Advisory, commission income and other fee income		1,204	1,091
Net gain (loss) on sales of financial assets at fair value through profit or loss (“FVPL”)		975	(15,249)
Interest income		35,906	40,942
Dividend income		10,214	9,268
Total revenue	5	48,299	36,052
Other income	6	6,468	7,322
Other net (losses) gains	8	(651)	6,246
Net unrealised fair value gain (loss) on financial assets at FVPL	10	27,561	(42,981)
Reversal of (Provision for) impairment loss in respect of loan receivables, net	24(c)	12,727	(29,630)
Depreciation and amortisation expenses	10	(7,477)	(16,947)
Employee benefits expenses	10	(12,213)	(13,280)
Other expenses	10	(19,177)	(56,610)
Share of results of associates	20	128,375	(60,605)
Share of results of a joint venture	21	(325)	(18,271)
Finance costs	9	(4,671)	(5,971)
Profit (Loss) before taxation	10	178,916	(194,675)
Income tax expense	11	–	(5)
Profit (Loss) for the year		178,916	(194,680)
Other comprehensive (expense) income:			
<i>Items that will not be reclassified to profit or loss</i>			
Fair value change on equity investments measured at fair value through other comprehensive income (“Designated FVOCI”)	18(a)	(50,852)	(449,420)
Share of other comprehensive expense of associates	20	(46,654)	(54,126)
Share of other comprehensive income (expense) of a joint venture	21	1,021	(1,249)
		(96,485)	(504,795)
<i>Item that is reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation to presentation currency		362	(294)
Total other comprehensive expense for the year		(96,123)	(505,089)
Total comprehensive income (expense) for the year		82,793	(699,769)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	Note	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit (Loss) for the year attributable to:			
Owners of the Company		179,047	(194,506)
Non-controlling interests		(131)	(174)
		178,916	(194,680)
Total comprehensive income (expense) attributable to:			
Owners of the Company		82,924	(699,595)
Non-controlling interests		(131)	(174)
		82,793	(699,769)
		<i>HK cents</i>	<i>HK cents</i>
Earnings (Losses) per share	14		
Basic		2.90	(3.15)
Diluted		2.90	(3.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property and equipment	15	13,211	13,739
Investment property	16	81,500	80,390
Right-of-use assets	17	12,076	10,158
Designated FVOCI	18	1,046,340	1,471,386
Interests in associates	20	360,698	212,278
Interests in a joint venture	21	145,680	144,984
Intangible assets	22	14,114	14,366
Other deposits	23	427	418
Loan receivables	24	871	3,403
		1,674,917	1,951,122
Current assets			
Trade, loan and other receivables	24	1,006,214	770,929
Income tax recoverable		399	990
Debt investment at amortised cost	19	–	30,000
Financial assets at FVPL	25	173,262	149,823
Bank balances – trust and segregated accounts	26	28,228	32,547
Cash and cash equivalents	26	403,526	282,373
		1,611,629	1,266,662
Current liabilities			
Trade and other payables	27	109,137	120,972
Lease liabilities	28	4,382	6,778
Income tax payable		1,406	862
Interest-bearing borrowings	29	47,307	49,271
		162,232	177,883
Net current assets		1,449,397	1,088,779
Total assets less current liabilities		3,124,314	3,039,901
Non-current liabilities			
Lease liabilities	28	5,366	3,746
NET ASSETS		3,118,948	3,036,155

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	30	309,162	309,162
Reserves		2,805,780	2,722,856
Equity attributable to owners of the Company		3,114,942	3,032,018
Non-controlling interests		4,006	4,137
TOTAL EQUITY		3,118,948	3,036,155

The consolidated financial statements on pages 57 to 147 were approved and authorised for issue by the Board of Directors on 30 March 2026 and are signed on its behalf by:

Director
Sam Hing Cheong

Director
Wong Yat Fai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

Notes	Attributable to equity holders of the Company								Non-controlling interests		
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Translation reserve HK\$'000 (Note ii)	Contribution surplus HK\$'000 (Note iii)	Investment revaluation reserve (non-recycling) HK\$'000 (Note iv)	Share option reserve HK\$'000 (Note 31)	Share award reserve HK\$'000 (Note 31)	Accumulated losses HK\$'000	Total HK\$'000	Share of other equity components HK\$'000	Total HK\$'000
At 1 January 2024	305,463	194,215	(75,532)	5,682,380	(2,259,219)	107,225	80,748	(304,235)	3,731,045	-	3,731,045
Loss for the year	-	-	-	-	-	-	-	(194,506)	(194,506)	(174)	(194,680)
<i>Other comprehensive expense</i>											
<i>Items that will not be reclassified to profit or loss</i>											
Fair value change on Designated FVOCI	18(a)	-	-	-	(449,420)	-	-	-	(449,420)	-	(449,420)
Share of other comprehensive expense of an associate	20	-	-	-	(54,126)	-	-	-	(54,126)	-	(54,126)
Share of other comprehensive expense of a joint venture	21	-	-	-	(1,249)	-	-	-	(1,249)	-	(1,249)
		-	-	-	(504,795)	-	-	-	(504,795)	-	(504,795)
<i>Item that is reclassified or may be reclassified subsequently to profit or loss</i>											
Exchange differences arising on translation to presentation currency		-	-	(294)	-	-	-	-	(294)	-	(294)
Total other comprehensive expense for the year		-	-	(294)	(504,795)	-	-	-	(505,089)	-	(505,089)
Total comprehensive expense for the year		-	-	(294)	(504,795)	-	-	(194,506)	(699,595)	(174)	(699,769)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	18(a)	-	-	-	-	73,838	-	-	(73,838)	-	-
Transactions with owners:											
<i>Contribution and distribution</i>											
Issue of new shares upon vesting of awarded shares	31	3,750	60,000	-	-	-	(63,750)	-	-	-	-
Lapse of awarded shares	31	-	-	-	-	-	(16,998)	16,998	-	-	-
Repurchase and cancellation of shares	30(a)	(51)	(70)	-	-	-	-	-	(121)	-	(121)
		3,699	59,930	-	-	-	(80,748)	16,998	(121)	-	(121)
Changes in ownership interests											
Changes in ownership interests in subsidiaries that do not result in a loss of control		-	-	-	-	-	-	689	689	4,311	5,000
Total transactions with owners		3,699	59,930	-	-	-	(80,748)	17,687	568	4,311	4,879
At 31 December 2024		309,162	254,145	(75,826)	5,682,380	(2,690,176)	107,225	(554,892)	3,032,018	4,137	3,036,155

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

Notes	Attributable to equity holders of the Company							Non-controlling interests		
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Translation reserve HK\$'000 (Note ii)	Contribution surplus HK\$'000 (Note iii)	Investment revaluation reserve (non-recycling) HK\$'000 (Note iv)	Share option reserve HK\$'000 (Note 31)	Accumulated losses HK\$'000	Total HK\$'000	Share of other equity components HK\$'000	Total HK\$'000
At 1 January 2025	309,162	254,145	(75,826)	5,682,380	(2,690,176)	107,225	(554,892)	3,032,018	4,137	3,036,155
Profit for the year	-	-	-	-	-	-	179,047	179,047	(131)	178,916
Other comprehensive (expense) income <i>Items that will not be reclassified to profit or loss</i>										
Fair value change on Designated FVOCI										
Share of other comprehensive expense of an associate	18(a)	-	-	-	(50,852)	-	-	(50,852)	-	(50,852)
Share of other comprehensive expense of a joint venture	20	-	-	-	(46,654)	-	-	(46,654)	-	(46,654)
	21	-	-	-	1,021	-	-	1,021	-	1,021
		-	-	-	(96,485)	-	-	(96,485)	-	(96,485)
<i>Item that is reclassified or may be reclassified subsequently to profit or loss</i>										
Exchange differences arising on translation to presentation currency		-	-	362	-	-	-	362	-	362
Total other comprehensive income for the year		-	-	362	(96,485)	-	-	(96,123)	-	(96,123)
Total comprehensive income for the year		-	-	362	(96,485)	-	179,047	82,924	(131)	82,793
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	18(a)	-	-	-	1,615,064	-	(1,615,064)	-	-	-
At 31 December 2025		309,162	254,145	(75,464)	5,682,380	(1,171,597)	(1,990,909)	3,114,942	4,006	3,118,948

Notes:

- (i) Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value. The application of the share premium account is governed by Section 46(2) of the Companies Act 1981 of Bermuda (as amended).
- (ii) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (iii) Contribution surplus represents residual arising from the reduction of share premium of the Company pursuant to special resolutions passed by the Company on 2 June 2005 and 23 May 2007.
- (iv) Investment revaluation reserve (non-recycling) comprises the accumulated net change in the fair value of Designated FVOCI that have been recognised in other comprehensive income, net of the amounts reclassified to retained earnings when those investments are disposed of, and share of other comprehensive income of associates and the joint venture.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
Profit (Loss) before taxation		178,916	(194,675)
Depreciation of property and equipment and right-of-use assets	15, 17	6,977	16,447
Amortisation of intangible assets	22	500	500
Interest expenses	9	4,671	5,971
Interest income	5, 6	(5,809)	(8,873)
Dividend income	5	(10,214)	(9,268)
(Reversal of) Provision for impairment loss in respect of loan receivables, net	24(c)	(12,727)	29,630
Bad debts written off	8	–	16
Loss on deemed disposal of an associate	8	981	–
Gain on disposal of property and equipment	8	–	(16,391)
Fair value (gain) loss on investment property	16	(1,110)	6,140
(Reversal of) Provision for impairment loss on intangible assets	22	(248)	248
Share of results of associates	20	(128,375)	60,605
Share of results of a joint venture	21	325	18,271
Net unrealised fair value (gain) loss on financial assets at FVPL	10	(27,561)	42,981
Changes in working capital			
Other deposits		(9)	7
Trade, loan and other receivables		(222,275)	(332,989)
Financial assets at FVPL		4,122	32,000
Bank balances – trust and segregated accounts		4,319	22,379
Trade and other payables		(11,843)	27,886
Cash used in operations		(219,360)	(299,115)
Interest paid		(4,078)	(5,172)
Income tax refunded		1,135	892
NET CASH USED IN OPERATING ACTIVITIES		(222,303)	(303,395)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
INVESTING ACTIVITIES			
Dividend received		10,214	9,268
Interest received		5,809	8,873
Purchase of property and equipment	15	(5)	(81)
Proceeds from disposal of property and equipment		–	122,967
Purchase of Designated FVOCI		(554,359)	(100,122)
Proceeds from disposal of Designated FVOCI	18(a)	930,986	151,293
Redemption of debt investment at amortised cost	19	30,000	–
Injection of funds to associates	20	(67,680)	–
Withdrawal of short-term bank deposits		–	50,000
NET CASH FROM INVESTING ACTIVITIES		354,965	242,198
FINANCING ACTIVITIES			
Repurchase of shares	30(a)	–	(121)
Repayment of interest-bearing borrowings	32	(1,964)	(1,964)
Lease payment	32	(9,731)	(7,246)
Proceeds from disposal of ownership interests in subsidiaries that does not result in a loss of control		–	5,000
NET CASH USED IN FINANCING ACTIVITIES		(11,695)	(4,331)
Net increase (decrease) in cash and cash equivalents		120,967	(65,528)
Cash and cash equivalents at the beginning of the reporting period		282,373	348,050
Effect on exchange rate changes on cash and cash equivalents		186	(149)
Cash and cash equivalents at the end of the reporting period, represented by cash and cash equivalents		403,526	282,373

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

1. GENERAL

Oshidori International Holdings Limited (the “**Company**”) is a public limited company incorporated in Bermuda as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2025 annual report of the Company.

The Company and its subsidiaries (together the “**Group**”) principally engage in investment holdings, tactical and/or strategical investments, the provision of financial services including (i) securities brokerage services, (ii) margin financing services, (iii) placing and underwriting services, (iv) corporate finance advisory services, (v) investment advisory and asset management services, and the provision of credit and lending services.

Certain group entities are licenced under the Hong Kong Securities and Futures Ordinance with the following regulated activities:

- Type 1: Dealing in securities
- Type 2: Dealing in futures contracts
- Type 4: Advising on securities
- Type 6: Advising on corporate finance
- Type 8: Securities margin financing
- Type 9: Asset management

The consolidated financial statements are presented in Hong Kong dollars, which is the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Adoption of new/revised HKFRS Accounting Standards

The Group has applied, for the first time, the following revised HKFRS Accounting Standards:

Amendments to HKAS 21 Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the above amendments does not have any significant impact on the consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for investment property, equity investments measured at fair value through other comprehensive income (“**Designated FVOCI**”), and financial assets measured at fair value through profit or loss (“**FVPL**”), which are measured at fair values as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. 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.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value unless another measurement basis is required by HKFRS Accounting Standards.

Allocation of total comprehensive income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (continued)

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented in note 40 to the consolidated financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is a 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 reassesses whether it has joint control of an arrangement and whether the type of joint arrangement in which it is involved has changed, if facts and circumstances change.

The Group's investment in associate or joint venture is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long-term interests that, in substance, form part of the Group's net investment in the investee.

Goodwill arising on an acquisition of an associate or a joint venture is measured as the excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the acquired associate or joint venture. Such goodwill is included in interests in associates or joint ventures. On the other hand, any excess of the Group's share of its net fair value of identifiable assets and liabilities over the cost of investment is recognised immediately in profit or loss as an income.

On the loss of significant influence, the Group remeasures any retained interest in the former investee at fair value. The difference between the fair value of any retained investment and proceeds from disposing of the partial interest in the investee and the carrying amount of the investment at the date when significant influence or joint control is lost is recognised in profit or loss. In addition, all amounts previously recognised in other comprehensive income in respect of the former investee are accounted for on the same basis as would be required if the former investee had directly disposed of the related assets or liabilities. The fair value of the retained interest on the date of ceasing to be an associate or joint venture is regarded as the fair value on initial recognition as a financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and 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. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property and equipment over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvements	15 to 20%
Yacht	10%
Furniture, fixtures and equipment	18% to 25%
Motor vehicles	20%

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Investment properties

Investment properties are buildings that are held by owner or lessee, to earn rental income and/or for capital appreciation. These include properties held for a currently undetermined future use.

Investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised professional qualification and has recent experience in the location and category of property being valued. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item is derecognised.

Intangible assets

Trading rights

Trading rights that confer eligibility on the Group to trade on the Stock Exchange and Hong Kong Futures Exchange Limited (the “**Futures Exchange**”). The initial cost of acquiring trading rights is capitalised. Trading rights with indefinite useful lives are carried at cost less accumulated impairment losses. Trading rights are tested for impairment annually.

Membership debenture

Membership debenture that confer eligibility on the Group to acquire club membership. The initial cost of acquiring membership debenture is capitalised. Membership debenture with indefinite useful lives is carried at cost less accumulated impairment losses. Membership debenture is tested for impairment annually.

Club membership

The initial cost of acquiring club membership is capitalised. Club membership with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over its estimated useful life of 10 years. Club membership is tested for impairment where an indicator of impairment appears.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group’s contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Designated FVOCI; or (iii) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

1) *Financial assets measured at amortised cost*

An equity investment is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade, loan and other receivables, debt investment at amortised cost, bank balances – trust and segregated accounts and cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement (Continued)

2) *Designated FVOCI*

Upon initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to accumulated profits or losses.

The Group's Designated FVOCI include listed equity securities, unlisted equity securities and unlisted investment funds not held for trading.

3) *Financial assets at FVPL*

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets mandatorily measured at FVPL include listed equity securities and unlisted investment funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables and interest-bearing borrowings. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items under HKFRS 9

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Measurement of ECL (Continued)

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Assessment of significant increase in credit risk

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

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in note 35 to the consolidated financial statements, bank balances are determined to have low credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Simplified approach of ECL

For trade receivables other than margin clients, without a significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and 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.

Credit-impaired financial asset

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

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

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Equity instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For classification in the statement of financial position, cash equivalents represent assets similar in nature to cash and which are not restricted as to use.

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is securities brokerage, placing and underwriting, and other corporate finance advisory services.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition (Continued)

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Revenue or income arising from financial services is recognised on the following basis:

- Commission income for broking business is recorded as income at point in time on a trade date basis;
- Underwriting commission income, sub-underwriting income, placing commission income and referral fee income are recognised as income at point in time in accordance with the terms of the underlying agreement or deal mandate when relevant significant act has been completed; and
- Advisory and other fee income is recognised over time when the relevant transactions have been arranged or the relevant services have been rendered.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Dividend income

Dividend income from financial assets is recognised when the Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

- Interest income from margin clients is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rate applicable.
- Other interest income from financial assets is recognised using the effective interest method.

For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Rental income

Rental income under operating leases is recognised when the assets are let out and on the straight-line basis over the lease term. Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date and subsequently adjusted when such index or rate changes. Such payments are recognised as income on the straight-line basis over the lease term. Other variable lease payments are recognised as income in the period in which the event or condition that triggers those payments occurs.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in the currency of Hong Kong dollars, which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("**foreign operations**") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property and equipment, right-of-use assets, intangible assets, interests in associates, interests in a joint venture and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. 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.

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premises	2 years
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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset, if any, during the lease term that are not paid at the commencement date:

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

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Retirement benefit costs

Payment to defined contribution retirement benefit scheme and the Mandatory Provident Fund Scheme are recognised as expenses in profit or loss as incurred when employees have rendered service entitling them to the contributions.

Long service payments

The Group's net obligation in respect of long service payments under the Hong Kong Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Share-based payment transactions

Equity-settled transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of profit or loss and other comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When the share awards are vested, the amount previously recognised in share award reserve will be transferred to retained earnings.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that 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 is not recognised.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Related parties

A related party is a person or entity that is related to the Group.

- (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 over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group.
- (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 holding company, 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 holding company 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.

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 and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 chief operating decision makers, namely the executive directors of the Company, for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual 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, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. FUTURE CHANGES IN HKFRS ACCOUNTING STANDARDS

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ^[1]
Annual Improvements to HKFRS Accounting Standards	Volume 11 ^[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ^[1]
HKFRS 18	Presentation and Disclosure in Financial Statements ^[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ^[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^[3]

^[1] Effective for annual periods beginning on or after 1 January 2026

^[2] Effective for annual periods beginning on or after 1 January 2027

^[3] The effective date to be determined

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future financial statements.

Excepted as described above, the directors do not anticipate that the adoption of the new and amendments HKFRS Accounting Standards in future periods will have any material impact on the results of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Fair value estimation

The Group's certain unlisted Designated FVOCI have been valued based on the valuation from an independent professional valuer. The valuation requires the Group to make some estimation on a number of significant unobservable inputs associated with the investments. As at 31 December 2025, the Group has unlisted Designated FVOCI of approximately HK\$494,119,000 (2024: HK\$468,776,000). Details of the key assumption and inputs used in the valuation are set out in note 36 to the consolidated financial statements.

The Group's investment property located in Hong Kong has been valued based on the valuation from an independent professional valuer. The valuation performed was arrived at with reference to recent market transaction prices of comparable properties and adjusted to reflect the condition and locations of the subject properties at the end of reporting period with total fair value of approximately HK\$81,500,000 (2024: HK\$80,390,000) at 31 December 2025. Favourable or unfavourable changes to recent market prices would result in changes in the fair value of the Group's investment property and corresponding adjustments to the amount of gain or loss reported in profit or loss.

Loss allowance for ECL

The Group's management estimates the loss allowance for financial assets at amortised cost including trade, loan and other receivables, debt investment at amortised cost and bank balances by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, recoverable amount of pledged collateral, past collection history of borrowers, concentration risk of borrowers, the Group's actual loss experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the financial assets at amortised cost. Details of the key assumption and inputs used in estimating ECL are set out in note 35 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

5. REVENUE

	Notes	2025 HK\$'000	2024 HK\$'000
Advisory, commission income and other fee income	(b)	1,204	1,091
Net gain (loss) on sales of financial assets at FVPL	(a)	975	(15,249)
Interest income from:			
– margin clients		7,700	9,277
– loan receivables		26,801	28,924
– debt investment at amortised cost		1,405	2,741
		35,906	40,942
Dividend income from:			
– financial assets at FVPL		1,378	3,540
– Designated FVOCI		8,836	5,728
		10,214	9,268
		48,299	36,052

Notes:

- (a) The amount represented the proceeds from the sale of financial assets at FVPL of approximately HK\$11,392,000 (2024: approximately HK\$22,625,000) less relevant costs and carrying value of the investments sold of approximately HK\$10,417,000 (2024: approximately HK\$37,874,000).
- (b) In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Financial services (as defined in note 7)	
	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition:		
Fee and commission income		
– at a point in time	1,204	1,079
Advisory and other fee income		
– over time	–	12
Total revenue from contracts with customers within HKFRS 15	1,204	1,091

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income on:		
– bank deposits	4,402	6,128
– others	2	4
	4,404	6,132
Property rental income	650	–
Handling fee income	452	241
Scrip fee income	480	332
Others	482	617
	6,468	7,322

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

The Group's reportable and operating segments are as follows:

Financial services	Provision of securities brokerage, margin financing, placing and underwriting, investment advisory, asset management and corporate finance advisory services
Tactical and/or strategical investments	Investment in financial instruments
Credit and lending services	Provision of credit and lending services

Segment revenue and results

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

For the year ended 31 December 2025

	Financial services HK\$'000	Tactical and/ or strategical investments HK\$'000	Credit and lending services HK\$'000	Consolidated HK\$'000
Revenue				
Advisory, commission income and other fee income	1,204	–	–	1,204
Net gain on sales of financial assets at FVPL	–	975	–	975
Interest income	7,700	1,405	26,801	35,906
Dividend income	144	10,070	–	10,214
Total revenue	9,048	12,450	26,801	48,299
Net unrealised fair value gain on financial assets at FVPL	–	27,561	–	27,561
Segment revenue	9,048	40,011	26,801	75,860
Segment profit	3,112	33,434	15,640	52,186
Unallocated other income				4,007
Unallocated other net gains				488
Share of results of associates				128,375
Share of results of a joint venture				(325)
Unallocated finance costs				(2,616)
Central corporate expenses				(3,199)
Profit before taxation				178,916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2024

	Financial services HK\$'000	Tactical and/ or strategical investments HK\$'000	Credit and lending services HK\$'000	Consolidated HK\$'000
Revenue				
Advisory, commission income and other fee income	1,091	–	–	1,091
Net loss on sales of financial assets at FVPL	–	(15,249)	–	(15,249)
Interest income	9,277	2,741	28,924	40,942
Dividend income	126	9,142	–	9,268
Total revenue	10,494	(3,366)	28,924	36,052
Net unrealised fair value loss on financial assets at FVPL	–	(42,981)	–	(42,981)
Segment revenue	10,494	(46,347)	28,924	(6,929)
Segment profit (loss)	285	(60,803)	(22,602)	(83,120)
Unallocated other income				5,995
Unallocated other net gains				6,319
Share of results of associates				(60,605)
Share of results of a joint venture				(18,271)
Unallocated finance costs				(3,725)
Central corporate expenses				(41,268)
Loss before taxation				(194,675)

Segment revenue includes revenue from financial services, tactical and/or strategical investments and credit and lending services. In addition, the chief operating decision makers also consider net unrealised fair value loss on financial assets at FVPL as segment revenue.

The accounting policies of the segment reporting are set out as the Group's accounting policies in note 2. Segment result represents the loss incurred or profit earned by each segment without allocation of certain other income, certain other net gains, share of results of associates and a joint venture, certain finance costs and the central corporate expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

At 31 December 2025

	Financial services HK\$'000	Tactical and/ or strategical investments HK\$'000	Credit and lending services HK\$'000	Consolidated HK\$'000
Segment assets	289,298	1,220,526	979,329	2,489,153
Property and equipment				13,211
Investment property				81,500
Unallocated intangible assets				8,706
Right-of-use assets				12,076
Interests in associates				360,697
Interests in a joint venture				145,680
Unallocated other receivables				16,140
Income tax recoverable				399
Unallocated cash and cash equivalents				158,984
Consolidated assets				3,286,546
Segment liabilities	28,892	73,318	–	102,210
Unallocated other payables				6,927
Lease liabilities				9,748
Interest-bearing borrowings				47,307
Income tax payable				1,406
Consolidated liabilities				167,598

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2024

	Financial services HK\$'000	Tactical and/ or strategical investments HK\$'000	Credit and lending services HK\$'000	Consolidated HK\$'000
Segment assets	249,868	1,693,765	628,190	2,571,823
Property and equipment				13,739
Investment property				80,390
Unallocated intangible assets				8,958
Right-of-use assets				10,158
Interests in associates				212,278
Interests in a joint venture				144,984
Unallocated other receivables				22,721
Income tax recoverable				990
Unallocated cash and cash equivalents				151,743
Consolidated assets				3,217,784
Segment liabilities	32,483	79,800	-	112,283
Unallocated other payables				8,689
Lease liabilities				10,524
Interest-bearing borrowings				49,271
Income tax payable				862
Consolidated liabilities				181,629

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than property and equipment, investment property, certain intangible assets, right-of-use assets, interests in associates, interests in a joint venture, certain other receivables, income tax recoverable and certain cash and cash equivalents.
- all liabilities are allocated to operating and reportable segments other than certain other payables, lease liabilities, interest-bearing borrowings and income tax payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2025

	Financial services HK\$'000	Tactical and/ or strategical investments HK\$'000	Credit and lending services HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:					
Interest income included in revenue and other income	(8,767)	(1,405)	(26,820)	(3,318)	(40,310)
Interest expenses	-	2,055	-	2,616	4,671
Fair value gain on investment property	-	-	-	(1,110)	(1,110)
Reversal of impairment loss on intangible assets	-	-	-	(248)	(248)
Reversal of impairment loss in respect of loan receivables, net	-	-	(12,727)	-	(12,727)
Loss on deemed disposal of an associate	-	-	-	981	981
Business development expenses	2	423	-	67	492
Marketing expenses	-	563	-	-	563
Depreciation of property and equipment	-	-	-	533	533
Depreciation of right-of-use assets	-	-	-	6,444	6,444
Amortisation of intangible assets	-	-	-	500	500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

7. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2024

	Financial services HK\$'000	Tactical and/ or strategical investments HK\$'000	Credit and lending services HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:					
Interest income included in revenue and other income	(9,687)	(2,693)	(28,935)	(5,759)	(47,074)
Interest expenses	–	2,246	–	3,725	5,971
Fair value loss on investment property	–	–	–	6,140	6,140
Bad debts written off	16	–	–	–	16
Gain on disposal of property and equipment	–	–	–	(16,391)	(16,391)
Provision for impairment loss on intangible assets	–	–	–	248	248
Provision for impairment loss in respect of loan receivables, net	–	–	29,630	–	29,630
Business development expenses	3	523	–	6,476	7,002
Marketing expenses	–	8,485	–	332	8,817
Depreciation of property and equipment	–	–	–	9,771	9,771
Depreciation of right-of-use assets	–	–	–	6,676	6,676
Amortisation of intangible assets	–	–	–	500	500

Geographical information

The Group's operations are located in Hong Kong. Accordingly, the Group's revenue from external customers and all non-current assets (excluding financial assets) are located in Hong Kong.

Information about major customers

Revenue from the customers individually accounted for 10% or more of the Group's revenue, excluding net loss/gain on sales of financial assets at FVPL, for the years ended 31 December 2025 and 2024 is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A*	4,994	–
Customer B#	3,593	–
	8,587	–

* Attributable to credit and lending services segment.

Attributable to credit and lending services segment and financial services segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

8. OTHER NET (LOSSES) GAINS

	Notes	2025 HK\$'000	2024 HK\$'000
Bad debts written off		–	(16)
Fair value gain (loss) on investment property	16	1,110	(6,140)
Gain on disposal of property and equipment		–	16,391
Loss on deemed disposal of an associate	20	(981)	–
Net exchange loss		(1,028)	(3,741)
Reversal of (Provision for) impairment loss on intangible assets	22	248	(248)
		(651)	6,246

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank loan	2,023	2,926
Interest on margin financing	2,055	2,246
Imputed interest on lease liabilities	593	799
	4,671	5,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

10. PROFIT (LOSS) BEFORE TAXATION

This is stated after charging (crediting):

	Notes	2025 HK\$'000	2024 HK\$'000
Employee benefits expenses (including directors' emoluments)			
Salaries and other benefits		11,888	12,911
Retirement benefit scheme contributions	38	325	369
		12,213	13,280
Net unrealised fair value (gain) loss on financial assets at FVPL			
		(27,561)	42,981
Depreciation and amortisation expenses			
Depreciation on property and equipment	15	533	9,771
Depreciation on right-of-use assets	17	6,444	6,676
Amortisation on intangible assets	22	500	500
		7,477	16,947
Other expenses			
Auditor's remuneration			
– Audit fee		1,880	1,980
– Non-audit fee		318	338
Business development expenses		492	7,002
Business registration fee, statutory fees and listing fees		1,806	1,309
Direct operating expenses for investment property		187	155
Financial information charge		1,701	1,729
Handling and settlement expenses		709	978
Investment transaction cost		1,816	658
Lease payments for short-term leases		4,168	290
Legal and professional fees		3,736	4,807
Expenses on sales of property and equipment		–	9,238
Marketing expenses		563	8,817
Other operating expenses		1,801	6,990
Other tax expenses		–	12,319
		19,177	56,610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

11. INCOME TAX EXPENSE

The profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Hong Kong Profits Tax		
– Current year	–	544
– Over provision in prior years	–	(539)
Income tax expense	–	5

Reconciliation of income tax expense

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit (Loss) before taxation	178,916	(194,675)
Income tax at applicable tax rate 16.5% (2024: 16.5%)	29,521	(32,121)
Effect of two-tiered profits tax rates regime	(165)	(2)
Tax effect of expenses not deductible for tax purpose	1,695	33,503
Tax effect of income not taxable for tax purpose	(30,044)	(4,404)
Tax effect of tax losses not recognised	7,311	3,906
Utilisation of tax losses previously not recognised	(1,011)	(386)
Unrecognised temporary differences	(6,727)	(494)
Over provision in prior years	–	(539)
Others	(580)	542
Income tax expense for the year	–	5

At the end of the reporting period, the Group had unrecognised temporary differences arising from unused tax losses and unrealised losses on financial assets at FVPL of approximately HK\$2,074,578,000 (2024: HK\$2,037,533,000) and approximately HK\$258,457,000 (2024: HK\$299,234,000) respectively. Deferred tax assets have not been recognised due to the unpredictability of future profit available against which the Group can utilise the benefits therefrom. The tax losses do not expire under current tax legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

12. EXECUTIVE AND NON-EXECUTIVE DIRECTORS' AND EMPLOYEES' REMUNERATION

(i) **Executive and non-executive directors' remuneration:**

The emoluments paid or payable to each of the 7 (2024: 7) directors were as follows:

	Year ended 31 December 2025							Total HK\$'000
	Executive Directors			Independent Non-Executive Directors				
	Mr. Wong Yat Fai HK\$'000	Ms. Wong Wan Men HK\$'000	Mr. Sam Hing Cheong HK\$'000	Mr. Hung Cho Sing HK\$'000	Hon. Chan Hak Kan HK\$'000	Mr. Lam John Cheung-wah HK\$'000	Mr. Yu Chung Leung HK\$'000	
Fees (Note a)	-	-	-	131	131	131	131	524
Other emoluments								
- salaries and other benefits (Note b)	600	1,200	600	-	-	-	-	2,400
- contributions to retirement benefit schemes	-	18	18	-	-	-	-	36
Total emoluments	600	1,218	618	131	131	131	131	2,960

	Year ended 31 December 2024							Total HK\$'000
	Executive Directors			Independent Non-Executive Directors				
	Mr. Wong Yat Fai HK\$'000	Ms. Wong Wan Men HK\$'000	Mr. Sam Hing Cheong HK\$'000	Mr. Hung Cho Sing HK\$'000	Hon. Chan Hak Kan HK\$'000	Mr. Lam John Cheung-wah HK\$'000	Mr. Yu Chung Leung HK\$'000	
Fees (Note a)	-	-	-	250	250	250	250	1,000
Other emoluments								
- salaries and other benefits (Note b)	600	1,200	600	-	-	-	-	2,400
- contributions to retirement benefit schemes	18	18	18	-	-	-	-	54
Total emoluments	618	1,218	618	250	250	250	250	3,454

Notes:

- The directors' fee of non-executive directors/independent non-executive directors are determined by the Board of Directors pursuant to the authority given by the shareholders at the Company's general meeting and with recommendation from the remuneration committee of the Company with reference to their duties and responsibilities with the Company, the Company's performance and the prevailing market situation.
- The emoluments of the directors are covered by their respective service contracts and/or supplemental agreements or letters of appointment entered into with the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

12. EXECUTIVE AND NON-EXECUTIVE DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)**(i) Executive and non-executive directors' remuneration: (Continued)**

There was no arrangement under which an executive or non-executive director waived or agreed to waive any remuneration during both years. In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the years ended 31 December 2025 and 2024.

(ii) Employees' remuneration:

The five highest paid individuals of the Group included 1 (2024: 2) director of the Company. Details of their emoluments are included in note 12 (i) above.

The emoluments of the remaining 4 (2024: 3) highest paid individuals for the year are set out as follows:

	2025	2024
	HK\$'000	HK\$'000
Salaries and other emoluments	3,420	2,394
Contribution to retirement benefits schemes	72	54
	3,492	2,448

The emoluments of the individuals are within the following bands:

	2025	2024
	Number of employees	Number of employees
Below HK\$1,000,000	4	2
HK\$1,000,001 to HK\$1,500,000	-	1

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

13. DIVIDENDS

The directors of the Company do not recommend the payment of any dividends for the year ended 31 December 2025 (2024: Nil).

14. EARNINGS (LOSSES) PER SHARE

The calculation of the basic and diluted earnings (losses) per share is based on profit (loss) attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year as follows:

Earnings (Losses)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit (Loss) for the year attributable to equity shareholders of the Company, for the purpose of basic and diluted earnings (losses) per share	179,047	(194,506)

Number of shares

	2025	2024
Weighted average number of ordinary shares, for the purpose of basic and diluted earnings (losses) per share	6,183,233,139	6,179,423,237
	<i>HK cents</i>	<i>HK cents</i>
Basic earnings (losses) per share	2.90	(3.15)
Diluted earnings (losses) per share	2.90	(3.15)

Note:

The computation of diluted earnings (losses) per share for the year ended 31 December 2025 and 2024 did not assume the exercise of certain share option since their assumed exercise for the year would have an anti-dilutive effect on the basic earnings (losses) per share amount presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

15. PROPERTY AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Motor vehicles and yacht <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST				
At 1 January 2024	13,670	42,154	233,322	289,146
Additions	55	26	–	81
Disposals	–	–	(201,310)	(201,310)
At 31 December 2024	13,725	42,180	32,012	87,917
Additions	–	5	–	5
At 31 December 2025	13,725	42,185	32,012	87,922
ACCUMULATED DEPRECIATION				
At 1 January 2024	730	41,701	116,710	159,141
Provided for the year	–	166	9,605	9,771
Eliminated on disposals	–	–	(94,734)	(94,734)
At 31 December 2024	730	41,867	31,581	74,178
Provided for the year	–	134	399	533
At 31 December 2025	730	42,001	31,980	74,711
CARRYING VALUES				
At 31 December 2025	12,995	184	32	13,211
At 31 December 2024	12,995	313	431	13,739

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

16. INVESTMENT PROPERTY

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At fair value		
At the beginning of the reporting period	80,390	86,530
Change in fair value recognised in profit or loss	1,110	(6,140)
At the end of the reporting period	81,500	80,390

Leasing arrangement – as licensee

At the end of the reporting period, the investment property of HK\$81,500,000 located in Hong Kong is held with the remaining lease term of 101 (2024: 102) years.

The property interests in investment properties thereon (including the whole or part of undivided share in the underlying land) in Hong Kong is held by the Group as the registered owner. Those property interests were acquired from the previous registered owners by making lump sum payments at the upfront. Except for the variable amounts to be charged by the government subsequently that are reviewed regularly with reference to the rateable values, for example, there are no ongoing payments to be made under the terms of the land lease.

The fair value of the investment property is determined by the valuation performed by an independent professional valuer by adopting the direct comparison method based on price information of comparable properties and adjusted to reflect the locations of the subject property. Details of the fair value measurements are set out in note 36 to the consolidated financial statements.

The investment property was pledged to the bank to secure the bank loan as at 31 December 2025. Details are set out in note 29 to the consolidated financial statements.

Leasing arrangement – as licensor

The Group's investment property interests held under leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment property.

During the year ended 31 December 2025, the investment property was leased to independent third parties for a non-cancellable term of 2 years (2024: Nil). The lease does not contain any renewal option. The rental income from investment property is set out in note 6 to the consolidated financial statements.

The investment property is subject to residual value risk. The lease contract, as a result, includes a provision on residual value guarantee based on which the Group has the right to charge the tenant for any damage to the investment property at the end of the lease.

The undiscounted lease payments to be received from the leasing of the investment property within one year and one to two years as at the end of the reporting period amount to HK\$1,560,000 and HK\$910,000 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

17. RIGHT-OF-USE ASSETS

	Buildings <i>HK\$'000</i>
Reconciliation of carrying amount – year ended 31 December 2024	
At beginning of the reporting period	11,856
Reassessment of lease liabilities	4,978
Depreciation	(6,676)
	<hr/>
At the end of the reporting period	10,158
Reconciliation of carrying amount – year ended 31 December 2025	
At beginning of the reporting period	10,158
Reassessment of lease liabilities	8,362
Depreciation	(6,444)
	<hr/>
At the end of the reporting period	12,076
	<hr/>
At 31 December 2024	
Cost	20,651
Accumulated depreciation	(10,493)
	<hr/>
Net carrying amount	10,158
	<hr/>
At 31 December 2025	
Cost	29,014
Accumulated depreciation	(16,938)
	<hr/>
Net carrying amount	12,076
	<hr/>

The Group leases various premises for its daily operations. Lease terms are 2 years with renewal option.

Commitments under leases

The Group had no commitment for any short-term leases for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

18. DESIGNATED FVOCI

	Notes	2025 HK\$'000	2024 HK\$'000
Equity securities – listed			
Listed in Hong Kong		419,386	859,342
Listed in the United States		57,615	68,048
	(a)	477,001	927,390
Equity securities – unlisted	(a)	367,000	468,776
Deferred day-one losses	(e)	75,220	75,220
		442,220	543,996
Unlisted investment funds	(a)	127,119	–
		1,046,340	1,471,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

18. DESIGNATED FVOCI (Continued)

Notes:

- (a) At the date of initial recognition, the Group irrevocably designated certain investments in equity securities and unlisted investment funds as Designated FVOCI because these equity securities and unlisted investment funds represent investments that the Group intends to hold for long-term strategic purposes.

The fair value of each investment classified as Designated FVOCI is as follows.

	Notes	2025 HK\$'000	2024 HK\$'000
Equity securities – Listed			
Get Nice Holdings Limited		92,019	–
Imagi International Holdings Ltd		97,235	80,997
C C Land Holdings Ltd.		56,940	37,657
FWD Group Holdings Ltd.		26,856	–
Sinolink Worldwide Holdings Ltd.		23,316	52
China Cultural Tourism and Agriculture Group Limited		20,285	5,290
Touyun Biotech Group Limited		18,323	13,365
Shengjing Bank Co., Ltd.		–	348,000
ZhongAn Online P&C Insurance Co., Ltd.		–	194,092
Get Nice Financial Group Ltd.		–	85,918
Hao Tian International Construction Investment Group Ltd		–	31,415
Others		142,027	130,604
		477,001	927,390
Equity securities – unlisted			
Company A	(b)	40,000	22,454
Company B	(c)	194,000	398,000
Company C	(d)	133,000	48,322
		367,000	468,776
Unlisted investment funds			
Fund A	(f)	125,222	–
Fund B		1,897	–
		127,119	–
		971,120	1,396,166

During the year ended 31 December 2025, the net unrealised fair value loss on Designated FVOCI of approximately HK\$50,852,000 (2024: approximately HK\$449,420,000) was recognised in other comprehensive income.

Details of the fair value measurements of listed and unlisted investments are set out in note 36 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

18. DESIGNATED FVOCI (Continued)

Notes: (Continued)

- (a) (Continued)
During the year ended 31 December 2025, Designated FVOCI with fair value of approximately HK\$930,986,000 (2024: HK\$151,293,000) was disposed which is in line with the Group's inherent investment strategy. The cumulative loss of approximately HK\$1,615,064,000 (2024: approximately HK\$73,838,000) that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2025.
- (b) At the end of the reporting period, the Group holds 7.57% (2024: 7.88%) equity interest of Company A. Company A and its subsidiaries principally engage in securities trading and investments holding business in Hong Kong. During the year, the fair value gain on investment in Company A of approximately HK\$17,546,000 (2024: fair value loss of approximately HK\$50,237,000) was recognised in other comprehensive income.
- (c) In July 2025, the Group further invested HK\$142,500,000 into Company B for subscription of the rights shares issued by Company B. At the end of the reporting period, the Group holds 17.81% (2024: 17.81%) equity interest of Company B. Company B and its subsidiaries principally engage in property investments. During the year, the fair value loss on investment in Company B of approximately HK\$346,500,000 (2024: approximately HK\$111,000,000) was recognised in other comprehensive income.
- (d) In July 2025, the Group further invested HK\$37,400,000 into Company C for subscription of new shares issued by Company C. At the end of the reporting period, the Group holds 19.42% (2024: 14.90%) equity interest of Company C. Company C principally engages in securities trading and investments holding business in Hong Kong. During the year, the fair value gain on investment in Company C of approximately HK\$47,278,000 (2024: fair value loss of approximately HK\$15,714,000) was recognised in other comprehensive income.
- (e) The day-one losses arising from acquisition of unlisted equity investments represents the difference between the consideration and the fair value at the initial recognition, which was determined based on valuation carried out by independent professional valuer. As the fair value determination of unlisted equity securities is not evidenced by a quoted price in an active market or based on a valuation technique that uses only data from observable markets, the day-one losses should be deferred and will be recognised to profit or loss until (i) the fair value is evidenced by a quoted price in active market, (ii) the valuation can be determined using market observable inputs or (iii) realised through settlement.
- (f) The Group subscribed Fund A from a fund administrator at a cost of US\$16,500,000 (equivalent to approximately HK\$128,370,000) during the year ended 31 December 2025. Fund A mainly invests in underlying private equities funds of which portfolio companies focusing on innovative private companies incorporated in the People's Republic of China across different industries. During the year, the fair value loss on investment in Fund A of approximately US\$405,000 (equivalent to approximately HK\$3,148,000) was recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

19. DEBT INVESTMENT AT AMORTISED COST

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Senior notes	-	30,000

As 31 December 2024, the Group held senior notes issued by a company listed in Hong Kong which bore interest at 9.5% per annum payable semi-annually and was due on 30 June 2025. On 16 June 2025, the senior notes with principal amount of HK\$30,000,000 was fully redeemed.

20. INTERESTS IN ASSOCIATES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unlisted shares		
Shares of net assets	360,698	212,278

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

Name of entities	Place of incorporation/ operation	Class of shares held	Proportion of value of issued share capital directly held by the Group		Principal activities
			2025	2024	
			%	%	
Zaotos Capital Limited (“ Zaotos Capital ”) (formerly known as Hope Capital Limited) (Note a)	BVI	Ordinary	26.43	33.80	Engaged in securities investment and financial services business through its subsidiaries
HEC Securities Company Limited (“ HEC Securities ”) (Note b)	BVI	Ordinary	23.50	25.00	Engaged in securities investment and financial services business through its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

20. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (a) On 17 March 2025, Zaotos Capital issued rights shares to its shareholders and the Group subscribed 240 rights shares at a consideration of HK\$67,680,000. Since all shareholders including the Group participated in the rights issue, the Group's shareholding in Zaotos Capital remains unchanged.

In March, May and August 2025, Zaotos Capital issued certain new shares to four independent third party investors and the Group's equity interests in Zaotos Capital has been diluted from 33.80% to 26.43% accordingly.

- (b) In April 2025, HEC Securities issued certain new shares to an independent third party investor and the Group's equity interests in HEC Securities has been diluted from 25.00% to 23.50% accordingly.

Relationship with associates

Both associates and their group companies are engaged in securities investment and financial services business which allows the Group to penetrate financial services market through the extensive network of the associates.

Contingent liabilities

At the end of the reporting period, there are no contingent liabilities in relation to its interests in associates.

Fair value of investments

At the end of the reporting period, the Group's associates are private companies and there was no quoted market price available for the investments.

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20. INTERESTS IN ASSOCIATES (Continued)**Financial information of associates**

Summarised financial information of each of the associates of the Group is set out below, which represents amounts shown in the associates' financial statements prepared in accordance with HKFRS Accounting Standards and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

At 31 December 2025	Zaotos Capital HK\$'000	HEC Securities HK\$'000
Gross amount		
Non-current assets	453,074	–
Current assets	930,766	98,625
Current liabilities	(84,467)	(10,698)
Equity	1,299,373	87,927
Reconciliation		
Gross amount of equity	1,299,373	87,927
Group's ownership interests	26.43%	23.5%
Group's share of equity	341,506	19,192
Year ended 31 December 2025	Zaotos Capital HK\$'000	HEC Securities HK\$'000
Gross amount		
Revenue	9,269	–
Profit (Loss) from continuing operations	426,778	(92)
Other comprehensive expense	(35,617)	(152,677)
Total comprehensive income (expense)	391,161	(152,769)
	<i>(Note 20(a))</i>	<i>(Note 20(b))</i>
Group's ownership interests	33.80% – 26.43%	25% – 23.5%
Group's share of:		
Profit (Loss) from operations for the year	128,397	(22)
Other comprehensive expense for the year	(10,774)	(35,880)
Total comprehensive income (expense) for the year	117,623	(35,902)
Dividend received from the associates	–	–

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YEAR ENDED 31 DECEMBER 2025

20. INTERESTS IN ASSOCIATES (Continued) Financial information of associates (Continued)

At 31 December 2024	Zaotos Capital <i>HK\$'000</i>	HEC Securities <i>HK\$'000</i>
Gross amount		
Non-current assets	245,500	–
Current assets	221,612	251,291
Current liabilities	(1,940)	(30,595)
Equity	<u>465,172</u>	<u>220,696</u>
Reconciliation		
Gross amount of equity	<u>465,172</u>	<u>220,696</u>
Group's ownership interests	<u>33.8%</u>	<u>25%</u>
Group's share of equity	<u>157,184</u>	<u>55,094</u>
	Zaotos Capital <i>HK\$'000</i>	HEC Securities <i>HK\$'000</i>
Year ended 31 December 2024		
Gross amount		
Revenue	<u>1,187</u>	<u>5,073</u>
Loss from continuing operations	(219,778)	(9,462)
Other comprehensive expense	(110,476)	(87,394)
Total comprehensive expense	<u>(330,254)</u>	<u>(96,856)</u>
Group's ownership interests	<u>22.39% – 33.80%</u>	<u>25%</u>
Group's share of:		
Loss from operations for the year	(58,159)	(2,446)
Other comprehensive expense for the year	(32,277)	(21,849)
Total comprehensive expense for the year	<u>(90,436)</u>	<u>(24,295)</u>
Dividend received from the associates	<u>–</u>	<u>–</u>

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21. INTERESTS IN A JOINT VENTURE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Unlisted shares		
Shares of net assets	145,680	144,984

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

Name of entities	Place of incorporation/ operation	Class of shares held	Proportion of value of issued share capital directly held by the Group		Principal activities
			2025	2024	
			%	%	
Golden Thread Investments Limited (" Golden Thread ")	Republic of the Marshall Islands	Ordinary	35 (Note a)	35 (Note a)	Engaged in a single purpose project for property assets-based financing business

Note:

- (a) A supplemental agreement was signed by all joint venture partners in 2022, pursuant to which the share of profit would be based on the latest capital contribution ratio instead of issued share proportion. As at 31 December 2025 and 2024, the latest capital contribution ratio of the Group is 30%, thus, the relevant proportion of ownership interest held by the Group is 30%. No movement for the Group's shareholding during the year.

Relationship with a joint venture

Golden Thread engaged in a single purpose project for property assets-based financing business, allows the Group to penetrate this market through the extensive network of the joint venture.

Contingent liabilities

There are no capital commitment and contingent liabilities in relation to its interests in a joint venture.

Fair value of investments

At the end of the reporting period, the Group's joint venture is private company and there was no quoted market price available for the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

21. INTERESTS IN A JOINT VENTURE (Continued)

Financial information of a joint venture

Summarised financial information of a joint venture of the Group is set out below, which represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRS Accounting Standards and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

At 31 December 2025

Golden Thread HK\$'000

Gross amount

Non-current assets

10,736

Current assets

478,331

Current liabilities

(792)

Equity

488,275

Reconciliation

Gross amount of equity

488,275

Group's ownership interests

(Note 21(a))
30%

Group's share of equity

146,482

Year ended 31 December 2025

Golden Thread HK\$'000

Gross amount

Revenue

192

Loss from continuing operations

(1,084)

Other comprehensive income

3,401

Total comprehensive income

2,317

Group's ownership interests

(Note 21(a))
30%

Group's share of:

Loss from operations for the year

(325)

Other comprehensive income for the year

1,021

Total comprehensive income for the year

696

Dividend received from the joint venture

–

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YEAR ENDED 31 DECEMBER 2025

21. INTERESTS IN A JOINT VENTURE (Continued)**Financial information of a joint venture (Continued)**

At 31 December 2024	Golden Thread HK\$'000
Gross amount	
Non-current assets	3,684
Current assets	492,402
Current liabilities	(14,399)
	<u>481,687</u>
Equity	
	<u>481,687</u>
Reconciliation	
Gross amount of equity	<u>481,687</u>
	(Note 21(a))
Group's ownership interests	<u>30%</u>
	<u>144,984</u>
Group's share of equity	
	<u>144,984</u>
Year ended 31 December 2024	Golden Thread HK\$'000
Gross amount	
Revenue	<u>68</u>
Loss from continuing operations	(60,903)
Other comprehensive expense	(4,164)
	<u>(65,067)</u>
Total comprehensive expense	
	(65,067)
	(Note 21(a))
Group's ownership interests	<u>30%</u>
	<u>(18,271)</u>
Group's share of:	
Loss from operations for the year	(18,271)
Other comprehensive expense for the year	(1,249)
	<u>(19,520)</u>
Total comprehensive expense for the year	
	<u>(19,520)</u>
Dividend received from the joint venture	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

22. INTANGIBLE ASSETS

	Trading rights <i>HK\$'000</i> (Note a)	Membership debenture <i>HK\$'000</i> (Note b)	Club membership <i>HK\$'000</i> (Note c)	Total <i>HK\$'000</i>
Reconciliation of carrying amount – year ended 31 December 2024				
At the beginning of the reporting period	5,408	6,248	3,458	15,114
Amortisation	–	–	(500)	(500)
Impairment loss	–	(248)	–	(248)
At the end of the reporting period	5,408	6,000	2,958	14,366
Reconciliation of carrying amount – year ended 31 December 2025				
At the beginning of the reporting period	5,408	6,000	2,958	14,366
Amortisation	–	–	(500)	(500)
Reversal of impairment loss	–	248	–	248
At the end of the reporting period	5,408	6,248	2,458	14,114
At 31 December 2024				
Cost	5,408	6,248	5,000	16,656
Accumulated amortisation and impairment losses	–	(248)	(2,042)	(2,290)
	5,408	6,000	2,958	14,366
At 31 December 2025				
Cost	5,408	6,248	5,000	16,656
Accumulated amortisation and impairment losses	–	–	(2,542)	(2,542)
	5,408	6,248	2,458	14,114

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

22. INTANGIBLE ASSETS (Continued)

Notes:

- (a) Trading rights that confer eligibility on the Group to trade on the Stock Exchange and the Futures Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate cash flows. As a result, the trading rights are considered by the management of the Group as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until its useful life is determined to be finite.

No impairment losses on trading rights have been recognised for both years.

- (b) The membership debenture has no foreseeable limit to the period over which the Group can use to generate cash flows. As a result, membership debenture is considered by the management of the Group as having indefinite useful life. The membership debenture will not be amortised until its useful life is determined to be finite.

For the purpose of impairment testing on membership debenture, the recoverable amount has been determined based on the second-hand market price less cost of disposal. A reversal of impairment loss of HK\$248,000 (2024: impairment loss of HK\$248,000) was recognised for the year ended 31 December 2025 with reference to the recoverable amount of the membership debenture.

- (c) Club membership has a validity of 10 years and the Group has determined that this asset has a useful life of 10 years. There is no indication that the club membership may be impaired.

23. OTHER DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Statutory and other deposits with exchanges and clearing houses	427	418

The deposits are non-interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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24. TRADE, LOAN AND OTHER RECEIVABLES

	Notes	2025 HK\$'000	2024 HK\$'000
Trade receivables			
Trade receivables arising from the business of securities brokerage			
– cash clients		113	102
– margin clients	(b)	153,904	122,033
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	27(b)	–	29
– others		74	2
	(a)	154,091	122,166
Loan receivables			
Loan and interest receivables from independent third parties			
Less: Loss allowance	35	853,496 (22,599)	667,039 (40,752)
	(c)	830,897	626,287
Less: Non-current portion		(871)	(3,403)
Current portion		830,026	622,884
Other receivables			
Deposits with securities brokers	(d)	5,468	–
Other receivables, deposits and prepayments		16,629	25,879
		22,097	25,879
	(e)	1,006,214	770,929

Information about the Group’s exposure to credit risks and loss allowance for trade, loan and other receivables is included in note 35 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

24. TRADE, LOAN AND OTHER RECEIVABLES (Continued)

Notes:

- (a) No aging analysis by invoice date is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of brokerage business. The Group offsets certain trade receivables and trade payables when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously. Details are set out in note 37 to the consolidated financial statements.
- (b) Trade receivables from margin clients are repayable on demand and bear interest ranging from 5% to 15% (2024: 8% to 30%) per annum for the year ended 31 December 2025. The loans are secured by pledged marketable securities with a total fair value of approximately HK\$671,948,000 (2024: approximately HK\$785,937,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group.

Included in trade receivables from margin clients arising from the business of securities brokerage as at 31 December 2025, approximately HK\$792,000 (2024: approximately HK\$1,346,000) was due from the joint venture of the Group. During the years ended 31 December 2025 and 2024, no margin loans were granted to the directors of the Company or directors of subsidiaries.

- (c) As at 31 December 2025, the Group's net loan receivables included both fixed and variable rate loan advances to independent third parties of approximately HK\$125,653,000 (2024: approximately HK\$7,330,000) which were secured by the pledge of certain collaterals, corporate guarantee and personal guarantees (2024: certain collaterals and personal guarantees), bearing interest ranging from HKD Prime Rate plus 2.75% to 9% (2024: HKD Prime Rate plus 2.75% to 9%) per annum and had contractual loan period between 12 months and 18 months (2024: between 12 months and 18 months) under the Group's credit and lending services. The remaining balance included fixed rate loan advances to independent third parties of approximately HK\$705,244,000 (2024: HK\$618,957,000) which were unsecured, bearing interest ranging from 3% to 6% (2024: 3% to 8%) per annum. The contractual loan period for majority of the unsecured loan receivables from third parties is between 12 months and 5 years (2024: between 9 months and 5 years).

The amount granted to individuals and corporates depends on management's assessment of credit risk of the customers by evaluation on background check (such as their background, and financial position for individual borrowers and their industry and financial position for corporate borrowers) and repayment abilities. During the year ended 31 December 2025, net reversal of impairment loss of approximately HK\$12,727,000 (2024: net provision of impairment loss of approximately HK\$29,630,000) was recognised for the loan receivables. Details are set out in note 35 to the consolidated financial statements.

- (d) Deposits with securities brokers represented the funds deposited with the brokers' houses for securities trading purpose.
- (e) The trade, loan and other receivables are expected to be recovered within one year, except for the deposits of approximately HK\$10,168,000 (2024: approximately HK\$10,168,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

25. FINANCIAL ASSETS AT FVPL

	Note	2025 HK\$'000	2024 HK\$'000
Mandatorily measured at FVPL			
– Listed shares in Hong Kong		122,488	95,152
– Unlisted investment funds	(a)	50,774	54,671
		173,262	149,823

Note:

- (a) The unlisted investment funds are mainly subscribed from independent financial institutions in overseas. The portfolios of these funds mainly comprise securities listed in overseas and unlisted debt and equity securities in Asia-Pacific region. The funds are redeemable at the discretion of the Group from time to time and the intention of holding them was for short-term investment.

26. BANK BALANCES – TRUST AND SEGREGATED ACCOUNTS/CASH AND CASH EQUIVALENTS

Bank balances – trust and segregated accounts

The Group receives and holds money deposited by clients and other institutions in the course of the conduct of the regulated activities of its ordinary business. These clients' monies are maintained in one or more segregated bank accounts. The Group has recognised the corresponding accounts payable to respective clients and other institutions (Note 27). However, the Group does not have a currently enforceable right to offset those payables with the deposits placed.

Cash and cash equivalents

The amounts comprise cash at bank and short-term bank deposits at market interest rates with an original maturity of three months or less.

Bank balances carry interest at prevailing market rate ranging from 0.001% to 0.1% (2024: 0.001% to 0.875%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

27. TRADE AND OTHER PAYABLES

	Notes	2025 HK\$'000	2024 HK\$'000
Trade payables			
Trade payables arising from the business of securities brokerage			
– cash clients	(a)	779	2,530
– margin clients	(a)	27,020	29,327
– HKSCC	(b)	727	–
	24(a)	28,526	31,857
Trade payables arising from the business of futures brokerage			
	(c)	366	627
Secured margin loans from securities brokers			
	(d)	73,318	79,800
		102,210	112,284
Other payables			
Other payables and accrued charges			
		6,927	8,688
		109,137	120,972

Notes:

- (a) Trade payables to cash and margin clients are repayable on demand. In the opinion of the directors of the Company, no aging analysis is disclosed as the aging analysis does not give additional value.
- (b) The settlement terms of trade receivables and payables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date. No aged analysis is disclosed as in the opinion of directors of the Company, the aged analysis does not give additional value in view of the nature of brokerage business.
- (c) Trade payables to clients arising from the business of futures brokerage are margin deposits received from clients for their trading of futures contracts on the Futures Exchange. The excesses of the outstanding amounts over the required initial margin deposits for the trading of futures contracts stipulated by the Futures Exchange are repayable to clients on demand.
- (d) For secured margin loans from securities brokers, the loans are repayable on demand (except certain balances arising from trades pending settlement or margin deposits) and are interest-bearing at a fixed rate of 7.2% per annum (2024: 7.2% per annum). The total market value of equity securities classified as financial assets at FVPL and Designated FVOCI pledged as collateral in respect of the loans was approximately HK\$148,958,000 (2024: approximately HK\$113,625,000) as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28. LEASE LIABILITIES

As at 31 December 2025, the weighted average discount rate applied was 4.64% (2024: 6.46%) per annum. The interest expenses on lease liabilities are set out in note 9 to the consolidated financial statements.

Commitments and present value of lease liabilities:

	Minimum lease payments 2025 <i>HK\$'000</i>	Present value of minimum lease payments 2025 <i>HK\$'000</i>
Amounts payable:		
Within one year	4,763	4,382
In the second to fifth years inclusive	5,469	5,366
	10,232	9,748
Less: future finance charges	(484)	–
Total lease liabilities	9,748	9,748
	Minimum lease payments 2024 <i>HK\$'000</i>	Present value of minimum lease payments 2024 <i>HK\$'000</i>
Amounts payable:		
Within one year	7,247	6,778
In the second to fifth years inclusive	3,624	3,746
	10,871	10,524
Less: future finance charges	(347)	–
Total lease liabilities	10,524	10,524

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29. INTEREST-BEARING BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Secured bank loan	47,307	49,271

At the end of the reporting period, the bank loan is interest bearing at Hong Kong Interbank Offered Rate plus 1.3% (2024: Hong Kong Interbank Offered Rate plus 1.3%) per annum and secured by the Group's investment property with carrying value of HK\$81,500,000 (2024: HK\$80,390,000) and corporate guarantees provided by the Group's subsidiaries. The bank loan with a clause in their terms that gives the bank an overriding right to demand for repayment without notice or with notice period of less than 12 months at their sole discretion are classified as current liabilities even though the Directors do not expect that the banks would exercise their right to demand repayment.

30. SHARE CAPITAL

	Notes	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.05 (2024: HK\$0.05) each			
Authorised:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025		20,000,000,000	1,000,000
		Number of shares	Share capital HK\$'000
Issued and fully paid:			
At 1 January 2024		6,109,259,139	305,463
Issue of new shares upon vesting of awarded shares	31	75,000,000	3,750
Repurchase and cancellation of shares	(a)	(1,026,000)	(51)
At 31 December 2024, 1 January 2025 and 31 December 2025		6,183,233,139	309,162

Note:

- (a) On 25 June 2024, the Company repurchased 1,026,000 ordinary shares of the Company from the Stock Exchange with purchase price ranging from HK\$0.127 to HK\$0.142 per share with an aggregate consideration of HK\$121,000 (after expenses). The repurchased shares were cancelled on 10 July 2024. Upon the completion of cancellation of shares, the number of the issued shares of the Company decreased by 1,026,000 shares. The share capital and share premium of the Company decreased by approximately HK\$51,000 and HK\$70,000 respectively.

All shares issued during the year rank pari passu with the existing shares in all respects.

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31. SHARE OPTION AND SHARE AWARD SCHEMES

2012 Share Option Scheme

On 17 May 2012, the Company adopted a share option scheme (the “**2012 Share Option Scheme**”) which had a life of ten years from 17 May 2012 and expired on 17 May 2022. Under the 2012 Share Option Scheme, the Board of Directors may, at its discretion, offer the eligible persons (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

During the years ended 31 December 2025 and 2024, no share options were granted, exercised or lapsed under the 2012 Share Option Scheme.

The following tables disclose details of the Company’s share options held by eligible persons (including directors) and movement in such holdings during the years ended 31 December 2025 and 2024:

	Number of the share options					
	Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2025	Exercisable at 31 December 2025
2012 Share Option scheme						
Directors of the Company	20,000,000	-	-	-	20,000,000	20,000,000
Employees	72,000,000	-	-	-	72,000,000	72,000,000
Other participants	100,000,000	-	-	-	100,000,000	100,000,000
	192,000,000	-	-	-	192,000,000	192,000,000
Weighted average exercise price	HK\$0.85	-	-	-	HK\$0.85	HK\$0.85

	Number of the share options					
	Outstanding at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2024	Exercisable at 31 December 2024
2012 Share Option scheme						
Directors of the Company	20,000,000	-	-	-	20,000,000	20,000,000
Employees	72,000,000	-	-	-	72,000,000	72,000,000
Other participants	100,000,000	-	-	-	100,000,000	100,000,000
	192,000,000	-	-	-	192,000,000	192,000,000
Weighted average exercise price	HK\$0.85	-	-	-	HK\$0.85	HK\$0.85

The weight average remaining contractual life is 3.76 years (2024: 4.76 years) for the share options outstanding as at 31 December 2025.

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31. SHARE OPTION AND SHARE AWARD SCHEMES (Continued)**2019 Share Award Scheme**

On 19 December 2019, the Company adopted a share award scheme (the “**2019 Share Award Scheme**”) which has a life of ten years from 19 December 2019. Under the 2019 Share Award Scheme, the Board of Directors may, at its discretion, issue awarded shares to the eligible persons (including any executive director) of the Company or its subsidiaries subject to the terms and conditions stipulated therein. As the Company has not sought shareholders’ approval to refresh the share award mandate since its expiry on 12 June 2023, there was no awarded shares that may be granted under the 2019 Share Award Scheme during the year ended 31 December 2025.

On 22 January 2020, the Company granted 95,000,000 awarded shares to 10 eligible persons under the 2019 Share Award Scheme which shall be vested on the fourth anniversary of the date of grant (i.e. 22 January 2024). The share-based payment expenses shall be recognised with reference to the fair value of the shares granted determined based on the share price of the Company at the date of grant over 4 years from the date of grant on a straight line basis.

On 22 January 2024, 75,000,000 awarded shares were vested and issued to 7 eligible persons, the share award reserve of HK\$63,750,000 in respect of issued shares was transferred to share capital and share premium. The remaining 20,000,000 unvested awarded shares were lapsed, the share award reserve of HK\$16,998,000 in respect of the unvested awarded shares was transferred to retained earnings accordingly.

Movements of the awarded shares granted under the 2019 Share Award Scheme during the year ended 31 December 2024 were as follows:

	Number of awarded shares				
	Unvested at 1 January 2024	Granted during the year	Vested during the year	Lapsed during the year	Unvested at 31 December 2024
2019 Share Award Scheme					
Director of the Company	10,000,000	-	(10,000,000)	-	-
Other participants	85,000,000	-	(65,000,000)	(20,000,000)	-
	95,000,000	-	(75,000,000)	(20,000,000)	-

During the year ended 31 December 2025, no awarded shares were granted, vested or lapsed under the 2019 Share Award Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

31. SHARE OPTION AND SHARE AWARD SCHEMES (Continued)**2022 Share Option Scheme**

On 13 June 2022, the Company adopted a share option scheme (the “**2022 Share Option Scheme**”) which has a life of ten years from 13 June 2022. Under the 2022 Share Option Scheme, the Board of Directors may, at its discretion, offer the eligible persons (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. At the beginning and the end of the year ended 31 December 2025, the total number of share options available for grant under the 2022 Share Option Scheme was 610,925,913, representing 10% of the total issued shares of the Company as at the date of adoption of the scheme.

During the years ended 31 December 2025 and 2024, no share options were granted, exercised or lapsed under the 2022 Share Option Scheme.

32. OTHER CASH FLOW INFORMATION**Changes in liabilities arising from financing activities**

Details of the changes in the Group’s liabilities from financing activities are as follows:

2025

	Lease liabilities HK\$’000	Interest- bearing borrowings HK\$’000	Total HK\$’000
At 1 January 2025	10,524	49,271	59,795
Reassessment of lease liabilities	8,362	–	8,362
Interest expenses	593	2,023	2,616
Interest paid	–	(2,023)	(2,023)
Cash outflow in financing activities:			
Repayment of interest-bearing borrowings	–	(1,964)	(1,964)
Lease payments (including interest payment)	(9,731)	–	(9,731)
At 31 December 2025	9,748	47,307	57,055

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. OTHER CASH FLOW INFORMATION (Continued)**Changes in liabilities arising from financing activities (Continued)**

2024

	Lease liabilities <i>HK\$'000</i>	Interest- bearing borrowings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	11,993	51,235	63,228
Reassessment of lease liabilities	4,978	–	4,978
Interest expenses	799	2,926	3,725
Interest paid	–	(2,926)	(2,926)
Cash outflow in financing activities:			
Repayment of interest-bearing borrowings	–	(1,964)	(1,964)
Lease payments (including interest payment)	(7,246)	–	(7,246)
At 31 December 2024	<u>10,524</u>	<u>49,271</u>	<u>59,795</u>

33. RELATED PARTY TRANSACTIONS

In addition to the remuneration to the key management personnel and those disclosed elsewhere in these consolidated financial statements, during the year, the Group had following transactions with related parties:

Related party relationship	Nature of transaction	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Joint venture	Interest income from margin clients	<u>66</u>	<u>70</u>

The key management personnel are the directors of the Company. The details of the remuneration paid to them are set out in note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

34. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes interest-bearing borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries engaged in securities dealings and broking, corporate finance and investment advisory services which are regulated entities under the Securities and Futures Commission and require to comply with Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R") subject to the respective minimum capital requirements and liquid capital requirements. The management closely monitors the liquid capital requirements under SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by SF(FR)R throughout the years ended 31 December 2025 and 2024.

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Notes	2025 HK\$'000	2024 HK\$'000
Financial assets			
Designated FVOCI		1,046,340	1,471,386
Mandatorily measured at FVPL		173,262	149,823
Amortised cost	(a)	1,428,671	1,109,084
Financial liabilities			
Amortised cost	(b)	156,444	170,243

Notes:

- (a) Financial assets at amortised cost include debt investment at amortised cost, trade, loan and other receivables (excluding certain deposits and prepayments), bank balances – trust and segregated accounts and cash and cash equivalents.
- (b) Financial liabilities at amortised cost include trade and other payables and interest-bearing borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies**

At 31 December 2025, the Group's major financial instruments include Designated FVOCI, debt investment at amortised cost, trade, loan and other receivables, financial assets at FVPL, bank balances – trust and segregated accounts, cash and cash equivalents, trade and other payables and interest-bearing borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The risks associated and the management policies remain unchanged from prior year.

Market risk**Foreign currency risk**

Certain bank balances are denominated in foreign currencies which expose the Group to foreign currency risk.

At the end of the reporting period, the Group had the following amounts denominated in currencies other than the functional currency of the relevant entities to which they relate.

	Assets	
	2025	2024
	HK\$'000	HK\$'000
EUR	271	239
RMB	13,976	13,728
US\$	210,577	75,654

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The management considers the Group's exposure on foreign exchange rate risk from the remaining foreign currencies is minimal due to insignificant balances denominated in other foreign currencies.

Sensitivity analysis

At the end of the reporting period, if exchange rate of RMB had appreciated/depreciated against the functional currencies of the respective group entities by 1% (2024: 2%) and all other variables were held constant, the Group's profit before tax (2024: loss before tax) would increase/decrease (2024: decrease/increase) by approximately HK\$140,000 (2024: approximately HK\$275,000) as a result of changes in the carrying amount of these assets.

Since the exchange rate of HK\$ is pegged with US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates.

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the Group's exposure to currency risk for financial instruments 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 year until the end of the next reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate cash and cash equivalents and variable-rate interest-bearing borrowings. The management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rate risks in relation to variable-rate interest-bearing borrowings at the end of the reporting period. If the interest rates had been 100 (2024:100) basis points higher/lower and all other variables were held constant, the Group's profit before tax (2024: loss before tax) would increase/decrease (2024: decrease/increase) by approximately HK\$473,000 (2024: approximately HK\$493,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred throughout the reporting period and had been applied to the exposure to interest rate risk for the average balances of the interest-bearing loans from independent third parties in existence during the reporting period. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

The management considers that the Group's exposure to cash flow interest rate risk on variable-rate bank balances as a result of the change of market interest rate is insignificant due to low interest rates on bank balances at the end of the reporting period, thus no sensitivity analysis is prepared for cash flow interest rate risk.

Equity price risk

The Group is exposed to equity price risk arising from investments in listed equity securities which classified as financial assets at FVPL and Designated FVOCI. The sensitivity analysis has been determined based on the exposure to equity price risk.

Sensitivity analysis

At the end of the reporting period, if the quoted market prices of the listed equity securities classified as financial assets at FVPL had been 5% (2024: 5%) higher or lower while all other variables were held constant, the Group's profit before tax (2024: loss before tax) would decrease/increase by approximately HK\$6,124,000 (2024: approximately HK\$4,758,000) as a result of changes in fair value of these financial assets.

At the end of the reporting period, if the quoted market prices of the listed equity securities classified as Designated FVOCI had been 5% (2024: 5%) higher or lower while all other variables were held constant, the Group's other comprehensive expense for the year would decrease/increase by approximately HK\$23,850,000 (2024: approximately HK\$46,370,000) as a result of changes in fair value of these financial assets.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the equity prices had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the investments of the Group would change in accordance with the market price and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant market price over the period until the end of the next annual reporting period. The analysis is performed on the same basis for 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

The carrying amount of financial assets on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

The Group's maximum exposure to credit risk in the event of the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of each individual financial assets at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade receivables from margin clients

The Group provides financing services only to recognised and creditworthy third parties. It is the Group's policy that all these margin clients are subject to credit verification procedures. The margin loans are secured by pledged marketable securities and margin is set to ensure that certain proportion of the fair value of pledged marketable securities of the individual margin clients is sufficiently higher than the corresponding outstanding loans.

The Group's customer base consists of a wide range of clients and the trade receivables from margin clients are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience, loan to value ratio which determined using current trade receivable balances and pledged marketable securities and adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

After considering the above factors, the management assess that all of the trade receivables from margin clients have not had a significant increase in credit risk and 12-month ECL will be recognised. The management of the Group considers the 12-month ECL of trade receivables from margin clients to be insignificant, so no loss allowance was recognised during the year (2024: Nil).

Loan receivables

Management has money lending policies in place and the exposure to the credit risk is monitored on an ongoing basis. The Group grants loans only to recognised and creditworthy third party and related party borrowers. It is the Group's policy that all these borrowers are subject to credit verification procedures. Also, the Group has other monitoring procedures to ensure that follow-up action is promptly taken to recover overdue debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Loan receivables (Continued)

As at 31 December 2025, the Group has concentration of credit risk as 18% and 80% (2024: 10% and 42%) of total loan receivables was due from the Group's largest borrower and the five largest borrowers respectively, within the money lending segment.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the loan receivable is credit-impaired, the Group has taken into account the historical actual credit loss experience for the borrowers and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of three categories of internal credit rating. The information about the ECL for the loan receivables as at 31 December 2025 is summarised below. After considering the above factors, a loss allowance of approximately HK\$22,599,000 (2024: approximately HK\$40,752,000) was recognised as at 31 December 2025.

At 31 December 2025

Internal credit rating	Gross carrying amount HK\$'000	ECL	Loss allowance HK\$'000	Net carrying amount HK\$'000
Performing (Note i)	838,056	12-month	(9,557)	828,499
Underperforming (Note ii)	2,802	Lifetime	(404)	2,398
Not performing (Note iii)	12,638	Lifetime	(12,638)	-
	853,496		(22,599)	830,897

At 31 December 2024

Internal credit rating	Gross carrying amount HK\$'000	ECL	Loss allowance HK\$'000	Net carrying amount HK\$'000
Performing (Note i)	501,094	12-month	(13,058)	488,036
Underperforming (Note ii)	155,690	Lifetime	(17,439)	138,251
Not performing (Note iii)	10,255	Lifetime	(10,255)	-
	667,039		(40,752)	626,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies (Continued)****Credit risk (Continued)****Loan receivables (Continued)**

Notes:

- (i) Performing (Normal Credit Quality) refers to the loans that have not had a significant increase in credit risk and ECL in the next 12 months will be recognised;
- (ii) Underperforming (Significant Increase in Credit Risk) refers to the loans that have had a significant increase in credit risk and for which the lifetime ECL will be recognised;
- (iii) Not performing (Credit-impaired) refers to the loans that have objective evidence of impairment and for which the lifetime ECL will be recognised.

Aging analysis

Aging analysis of loan receivables (net of loss allowance) prepared based on loan commencement date set out in the relevant contracts is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1 to 3 months	397,425	200,456
4 to 6 months	–	39,421
7 to 12 months	365,433	239,901
Over 12 months	68,039	146,509
	830,897	626,287
At the end of the reporting period	830,897	626,287

Aging analysis of loan receivables (net of loss allowance) prepared based on contractual due date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Not yet past due	830,897	626,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Loan receivables (Continued)

Aging analysis (Continued)

The movement in the loss allowance for loan receivables during the year is summarised below.

	2025			Total HK\$'000
	12-month ECL	Lifetime ECL		
	Performing HK\$'000	Under- performing HK\$'000	Not performing HK\$'000	
At the beginning of the reporting period	13,058	17,439	10,255	40,752
Increase in allowance	8,447	–	7,729	16,176
Reversal of allowance upon recovery of loan	(11,868)	(17,035)	–	(28,903)
Transferred from Performing to Not performing	(80)	–	80	–
Write off	–	–	(5,426)	(5,426)
At the end of the reporting period	9,557	404	12,638	22,599
	2024			
	12-month ECL	Lifetime ECL		Total HK\$'000
	Performing HK\$'000	Under- performing HK\$'000	Not performing HK\$'000	
At the beginning of the reporting period	4,524	2,118	4,480	11,122
Increase in allowance	15,664	12,943	5,710	34,317
Reversal of allowance upon recovery of loan	(4,567)	(120)	–	(4,687)
Transferred from Performing to Under-performing or Not performing	(2,563)	2,498	65	–
At the end of the reporting period	13,058	17,439	10,255	40,752

During the year ended 31 December 2025, the decrease in loss allowance was mainly due to recovery of most of Performing and Under-performing loans during the year.

The management closely monitors the credit quality of the loans and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

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35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Other receivables

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial assets are credit-impaired, the Group has taken into account the historical actual credit loss experience, financial information and adjusted for forward-looking factors that are specific to the counterparties and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or methodology made during the year.

The management considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties. No loss allowance was recognised during the year (2024: Nil).

Deposits with financial institution

The credit risk on bank balances is limited because majority of the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation. No loss allowance was recognised during the year (2024: Nil).

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both principal and interest cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

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35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

	Weighted average effective interest rate %	On demand or within 1 year HK\$'000	Over 1 year but within 2 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31.12.2025 HK\$'000
2025					
Non-derivative financial liabilities					
Amounts due to cash and margin clients	–	27,799	–	27,799	27,799
Amounts due to future clients	–	366	–	366	366
Amounts due to HKSCC	–	727	–	727	727
Secured margin loans from securities brokers	–	73,318	–	73,318	73,318
Other payables and accrued charges	–	6,927	–	6,927	6,927
Interest-bearing borrowings (Note)	4.42%	47,307	–	47,307	47,307
Lease liabilities	4.64%	4,763	5,469	10,232	9,748
		161,207	5,469	166,676	166,192

	Weighted average effective interest rate %	On demand or within 1 year HK\$'000	Over 1 year but within 2 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31.12.2024 HK\$'000
2024					
Non-derivative financial liabilities					
Amounts due to cash and margin clients	–	31,857	–	31,857	31,857
Amounts due to future clients	–	627	–	627	627
Secured margin loans from securities brokers	–	79,800	–	79,800	79,800
Other payables and accrued charges	–	8,688	–	8,688	8,688
Interest-bearing borrowings (Note)	5.83%	49,271	–	49,271	49,271
Lease liabilities	6.46%	7,247	3,624	10,871	10,524
		177,490	3,624	181,114	180,767

Note:

At the end of the reporting period, the bank loan with a clause in their terms that gives the bank on overriding right to demand for repayment without notice or with notice period of less than 12 months at their sole discretion are classified as current liabilities even though the directors do not expect that the banks would exercise their right to demand repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

Note: (Continued)

The interest-bearing borrowings would be repaid according to the following schedule (ignoring the effect of any repayment on demand clause) as set out in the loan agreements:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	4,014	4,785
Over 1 year but within 2 years	3,928	4,670
Over 2 years but within 5 years	11,262	13,324
Over 5 years	53,354	62,646
	72,558	85,425

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36. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

(a) Fair value of the Group's assets that are measured at fair value

Assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	2025	2024		
1) Investments in listed equity securities classified as financial assets at FVPL	Listed equity securities in: - Hong Kong HK\$122,488,000	Listed equity securities in: - Hong Kong HK\$95,152,000	Level 1	Quoted bid prices in an active market
2) Investments in unlisted investment funds classified as financial assets at FVPL	HK\$50,774,000	HK\$54,671,000	Level 2	Determined by the external fund manager based on net asset value of the funds
3) Investments in listed equity securities classified as Designated FVOCI	Listed equity securities in: - Hong Kong HK\$419,386,000 - United States HK\$57,615,000	Listed equity securities in: - Hong Kong HK\$859,342,000 - United States HK\$68,048,000	Level 1	Quoted bid prices in an active market
4) Investments in unlisted equity securities classified as Designated FVOCI	HK\$367,000,000	HK\$468,776,000	Level 3	Derived from unobservable inputs for the asset or liability by independent professional qualified valuers
5) Investments in unlisted investment funds classified as Designated FVOCI	HK\$127,119,000	Nil	Level 3	Determined by the external fund manager based on net asset value of the fund derived from unobservable inputs
6) Investment property	HK\$81,500,000	HK\$80,390,000	Level 3	Derived from direct comparison approach with adjustment on unobservable inputs by an independent professional qualified valuer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

36. FAIR VALUE MEASUREMENTS (Continued)**(a) Fair value of the Group's assets that are measured at fair value (Continued)**

There were no transfers between Level 1 and Level 2 fair value measurement, and no transfers into and out of Level 3 fair value measurements for both years. The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy during the years ended 31 December 2025 and 2024 are as follows:

**Movements in Level 3 fair value measurements
2025**

Description	Investment property	Designated FVOCI	Designated FVOCI	Total HK\$'000
	Residential property located in Hong Kong HK\$'000	Unlisted equity securities HK\$'000	Unlisted Investments funds HK\$'000	
At the beginning of the reporting period	80,390	468,776	-	549,166
Addition	-	179,900	130,803	310,703
Total gains or losses reported as "fair value gain on investment property" in profit or loss	1,110	-	-	1,110
reported as "fair value change on Designated FVOCI" in other comprehensive income	-	(281,676)	(3,684)	(285,360)
At the end of the reporting period	81,500	367,000	127,119	575,619

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36. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value of the Group's assets that are measured at fair value (Continued) Movements in Level 3 fair value measurements (Continued)

2024

Description	Investment property located in Hong Kong <i>HK\$'000</i>	Designated FVOCI Unlisted equity securities <i>HK\$'000</i>	Total <i>HK\$'000</i>
At the beginning of the reporting period	86,530	645,727	732,257
Total gains or losses reported as "fair value loss on investment property" in profit or loss	(6,140)	–	(6,140)
reported as "fair value change on Designated FVOCI" in other comprehensive income	–	(176,951)	(176,951)
At the end of the reporting period	80,390	468,776	549,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

36. FAIR VALUE MEASUREMENTS (Continued)

(a) **Fair value of the Group's assets that are measured at fair value (Continued)**
Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value at 31 December 2025 HK\$'000	Fair value at 31 December 2024 HK\$'000	Valuation techniques	Unobservable input	Sensitivity of fair value to changes in unobservable inputs
Assets					
Designated FVOCI					
(a) Unlisted equity securities in BVI	40,000	22,454	Adjusted net asset value method	<p>a) The mean of P/B ratios of the comparable companies of 0.62 (2024: 0.25)</p> <p>b) The discount for lack of marketability of 21.14% (2024: minority discount of 5%)</p>	<p>a) If the P/B ratio increased/decreased by 5%, the fair value of the unlisted equity securities would increase/decrease by HK\$1,500,000 (2024: HK\$353,000).</p> <p>b) If the discount for lack of marketability (2024: minority discount) increased/decreased by 1%, the fair value of the unlisted equity securities would decrease/increase by HK\$276,000 (2024: HK\$236,000).</p>
(b) Unlisted equity securities in Cayman Islands	194,000	398,000	Adjusted net asset value method	The discount for lack of marketability of 21.14% (2024: 19.16%)	If the discount for lack of marketability increased/decreased by 1%, the fair value of the unlisted equity securities would decrease/increase by HK\$2,000,000 (2024: HK\$5,000,000).
(c) Unlisted equity securities in Marshall Islands	133,000	48,322	Adjusted net asset value method	The discount for lack of marketability of 21.14% (2024: 19.16%)	If the discount for lack of marketability increased/decreased by 1%, the fair value of the unlisted equity securities would decrease/increase by HK\$1,000,000 (2024: HK\$255,000).
(d) Unlisted investment funds in Cayman Islands	127,119	-	Net asset value	N/A	N/A
Investment property					
Residential property located in Hong Kong	81,500	80,390	Direct comparison approach	Unit sale rate is at about HK\$30,149/sq.ft. (2024: HK\$29,683/sq.ft.) saleable area, after downward adjustment of 4% (2024: upward adjustment of 12%) for the difference in time, age, location, ancillary facilities and view for the comparable.	If the unit sale rate is higher/lower, while all the other variables were held constant, the fair value of the property will increase/decrease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

36. FAIR VALUE MEASUREMENTS (Continued)

(a) **Fair value of the Group's assets that are measured at fair value (Continued)**
Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement (Continued)

The fair value of the unlisted equity securities without an active market classified in Level 3 fair value measurement was determined by the management based on the valuation from Ravia Global Appraisal Advisory Limited, an independent professional qualified valuer.

The fair value of the investment property classified in Level 3 fair value measurement was determined by the management based on the valuation from Ravia Global Appraisal Advisory Limited, an independent professional qualified valuer.

Valuation process

The management of the Group is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will establish the appropriate valuation techniques and inputs to the model. Management reports to executive directors semi-annually to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

(b) **Fair value of the Group's financial assets and financial liabilities carried at other than fair value**

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis. The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

Under the continuous net settlement arrangement, money obligations receivable and payable with HKSCC due to or from the Group entities on the same settlement date are settled on a net basis. The Group has legally enforceable right to set off the amounts of receivables and payables with cash clients and margin clients that are due to be settled on the same date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS (Continued)

The gross amounts of the recognised financial assets and financial liabilities and their net amounts as presented in the Group's consolidated statement of financial position are as follows:

	Gross amounts of recognised financial assets set off in the consolidated statement of financial position <i>HK\$'000</i>	Gross amounts of recognised financial assets presented in the consolidated statement of financial position <i>HK\$'000</i>	Net amounts of financial assets presented in the consolidated statement of financial position <i>HK\$'000</i>	Related amount not set off in the consolidated statement of financial position		Net amount <i>HK\$'000</i>
				Financial instruments <i>HK\$'000</i>	Collateral pledged <i>HK\$'000</i>	
As at 31 December 2025						
Trade receivables from cash clients	113	-	113	-	(18)	95
Trade receivables from margin clients	154,009	(105)	153,904	-	(153,904)	-
Trade receivables from HKSCC	281	(281)	-	-	-	-
Financial assets at FVPL and Designated FVOCI	599,489	-	599,489	(73,318)	-	526,171

	Gross amounts of recognised financial assets set off in the consolidated statement of financial position <i>HK\$'000</i>	Gross amounts of recognised financial assets presented in the consolidated statement of financial position <i>HK\$'000</i>	Net amounts of financial assets presented in the consolidated statement of financial position <i>HK\$'000</i>	Related amount not set off in the consolidated statement of financial position		Net amount <i>HK\$'000</i>
				Financial instruments <i>HK\$'000</i>	Collateral pledged <i>HK\$'000</i>	
As at 31 December 2024						
Trade receivables from cash clients	102	-	102	-	(15)	87
Trade receivables from margin clients	122,033	-	122,033	-	(122,033)	-
Trade receivables from HKSCC	60	(31)	29	-	-	29
Financial assets at FVPL and Designated FVOCI	1,022,542	-	1,022,542	(79,800)	-	942,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS (Continued)

	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000	Net amounts of financial liabilities presented in the consolidated statement of financial position HK\$'000	Related amount not set off in the consolidated statement of financial position		Net amount HK\$'000
				Financial instruments HK\$'000	Collateral pledged HK\$'000	
As at 31 December 2025						
Trade payables to cash clients	(779)	-	(779)	-	-	(779)
Trade payables to margin clients	(27,125)	105	(27,020)	-	-	(27,020)
Trade payables to HKSCC	(1,008)	281	(727)	-	-	(727)
Trade payables to future clients	(366)	-	(366)	-	-	(366)
Secured margin loans from securities brokers	(73,318)	-	(73,318)	-	73,318	-

	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000	Net amounts of financial liabilities presented in the consolidated statement of financial position HK\$'000	Related amount not set off in the consolidated statement of financial position		Net amount HK\$'000
				Financial instruments HK\$'000	Collateral pledged HK\$'000	
As at 31 December 2024						
Trade payables to cash clients	(2,530)	-	(2,530)	-	-	(2,530)
Trade payables to margin clients	(29,327)	-	(29,327)	-	-	(29,327)
Trade payables to HKSCC	(31)	31	-	-	-	-
Trade payables to future clients	(627)	-	(627)	-	-	(627)
Secured margin loans from securities brokers	(79,800)	-	(79,800)	-	79,800	-

The amounts which have been offset against the related recognised financial assets and financial liabilities in the Group's consolidated statement of financial position are measured on the same basis as the recognised financial assets and financial liabilities, which is at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

38. RETIREMENT BENEFIT SCHEMES

In December 2000, the Group enrolled all Hong Kong employees in a Mandatory Provident Fund (“MPF”) Scheme. The assets of the MPF Scheme are held separately from those of the Group under the control of trustees. The retirement benefit cost for the MPF charged to the consolidated statement of profit or loss and other comprehensive income represents contributions paid and payable to the fund by the Group at rates specified in the rules of the MPF Scheme.

During the year ended 31 December 2025, the total expense recognised in the consolidated statement of profit or loss and other comprehensive income is approximately HK\$325,000 (2024: approximately HK\$369,000).

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company’s principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2025		2024		
			Directly	Indirectly	Directly	Indirectly	
Global Mind Investment Limited	BVI – limited liability company	US\$1 of 1 ordinary share	-	100	-	100	Investment holding
Kenson Investment Limited	Bermuda – limited liability company	US\$10 of 10 ordinary shares	-	100	-	100	Securities trading and investments
Noble Order Limited	BVI – limited liability company	HK\$91,476,207 of 1,000 ordinary shares	-	55	-	55	Investment holding
Nu Kenson Limited	BVI – limited liability company	US\$1 of 1 ordinary share	-	100	-	100	Securities trading and investments
Oshidori Citizens Money Lending Corporation Limited	Hong Kong – limited liability company	HK\$325,000,000 of 325,000,000 (2024: HK\$15,000,000 of 15,000,000) ordinary shares	-	100	-	100	Money lending
Oshidori Corporate Finance Limited	Hong Kong – limited liability company	HK\$10,000,000 of 10,000,000 ordinary shares	-	100	-	100	Corporate finance advisory services
Oshidori Securities Limited	Hong Kong – limited liability company	HK\$1,000,000,000 of 1,000,000,000 ordinary shares	-	100	-	100	Securities brokerage and financial services
Oshidori WW Resources Limited	Hong Kong – limited liability company	HK\$400,000,000 of 400,000,000 (2024: HK\$150,000,001 of 150,000,001) ordinary shares	-	100	-	100	Money lending
Roxy Link Limited	BVI – limited liability company	US\$1 of 1 ordinary share	-	100	-	100	Investment holding

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2025		2024		
			Directly	Indirectly	Directly	Indirectly	
Smart Jump Corporation	BVI – limited liability company	US\$1 of 1 ordinary share	-	100	-	100	Securities trading and investments
Uptown WW Group Limited	BVI – limited liability company	100 ordinary shares with no par value	-	100	-	100	Holding of yacht and motor vehicles
Win Wind Capital Limited	BVI – limited liability company	HK\$2,350,663,816.42 of 115,425,007 ordinary shares	100	-	100	-	Investment holding
Win Wind Corporate Services Limited	Hong Kong – limited liability company	HK\$1 of 1 ordinary share	-	100	-	100	Provision of management services
威華達信息管理(深圳)有限公司 (Note i)	PRC – limited liability company	Paid-up capital of RMB10,000,000	100	-	100	-	Investment holding
深圳市威華軒信息諮詢有限公司 (Note i)	PRC – limited liability company	Paid-up capital of RMB18,000,000	-	100	-	100	Investment holding

Notes:

- (i) 威華達信息管理(深圳)有限公司 and 深圳市威華軒信息諮詢有限公司 are wholly owned foreign enterprises.

The above list includes the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the year or assets and liabilities of the Group. To give details of all other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investments in subsidiaries		3,000,879	2,720,067
Amounts due from subsidiaries		1,637,142	1,806,551
Designated FVOCI		82,400	106,756
		4,720,421	4,633,374
Current assets			
Other receivables, deposits and prepayments		441	441
Cash and cash equivalents		753	2,171
		1,194	2,612
Current liabilities			
Other payables and accrued charges		1,675	1,415
Amounts due to subsidiaries		1,646,219	1,646,233
		1,647,894	1,647,648
Net current liabilities		(1,646,700)	(1,645,036)
NET ASSETS		3,073,721	2,988,338
Capital and reserves			
Share capital	30	309,162	309,162
Reserves	(a)	2,764,559	2,679,176
TOTAL EQUITY		3,073,721	2,988,338

This statement of financial position was approved and authorised for issue by the Board of Directors on 30 March 2026 and is signed on its behalf by:

Director
Sam Hing Cheong

Director
Wong Yat Fai

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

(a) Movement of the reserves

	Notes	Share premium HK\$'000	Contributed surplus HK\$'000	Investment revaluation reserve (non-recycling) HK\$'000	Share option reserve HK\$'000 (Note 31)	Share award reserve HK\$'000 (Note 31)	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024		194,215	5,726,232	(868,967)	107,225	80,748	(1,883,255)	3,356,198
Loss for the year		-	-	-	-	-	(428,599)	(428,599)
Other comprehensive expense <i>Item that will not be reclassified to profit or loss</i>								
Fair value change on Designated FVOCI		-	-	(244,603)	-	-	-	(244,603)
Total other comprehensive expense for the year		-	-	(244,603)	-	-	-	(244,603)
Total comprehensive expense for the year		-	-	(244,603)	-	-	(428,599)	(673,202)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal		-	-	1,140,322	-	-	(1,140,322)	-
Transactions with owners: <i>Contributions and distributions</i>								
Issue of new shares upon vesting of awarded shares	31	60,000	-	-	-	(63,750)	-	(3,750)
Lapse of awarded shares	31	-	-	-	-	(16,998)	16,998	-
Repurchase and cancellation of shares	30(a)	(70)	-	-	-	-	-	(70)
Total transactions with owners		59,930	-	-	-	(80,748)	16,998	(3,820)
At 31 December 2024		254,145	5,726,232	26,752	107,225	-	(3,435,178)	2,679,176

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

(a) Movement of the reserves (Continued)

	Share premium HK\$'000	Contributed surplus HK\$'000	Investment revaluation reserve (non-recycling) HK\$'000	Share option reserve HK\$'000 (Note 31)	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2025	254,145	5,726,232	26,752	107,225	(3,435,178)	2,679,176
Profit for the year	-	-	-	-	62,055	62,055
Other comprehensive income <i>Item that will not be reclassified to profit or loss</i>						
Fair value change on Designated FVOCI	-	-	23,328	-	-	23,328
Total other comprehensive income for the year	-	-	23,328	-	-	23,328
Total comprehensive income for the year	-	-	23,328	-	62,055	85,383
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	-	-	(27,420)	-	27,420	-
At 31 December 2025	254,145	5,726,232	22,660	107,225	(3,345,703)	2,764,559

Nature of the respective reserves is set out in the notes to the Consolidated Statement of Changes in Equity.

41. EVENT AFTER THE REPORTING PERIOD

On 3 November 2025, the Company entered into a share swap agreement with Planetree International Development Limited (“**Planetree**”) whereby Planetree will issue and allot 189,105,535 new shares (“**Planetree Shares**”) in exchange for 760,250,187 new shares of the Company. Details of the share swap and the reasons for and benefits of the share swap agreement are set out into the Company’s announcement dated 3 November 2025 and 24 February 2026 respectively. On 26 February 2026, the share swap was completed, and the new shares of the Company have been issued. The Planetree Shares subscribed by the Company will be recognised as investments at the market price of Planetree Shares at the completion date with the amounts credited the share capital and share premium.

FINANCIAL SUMMARY

	For the year ended 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
RESULTS					
Revenue	(3,101,855)	109,193	60,224	36,052	48,299
Net unrealised fair value (loss) gain on financial assets at FVPL	(97,400)	(92,557)	(46,427)	(42,981)	27,561
(Loss) Profit before taxation	(3,551,087)	(79,288)	(82,899)	(194,675)	178,916
Taxation	405,359	(1,800)	(1,587)	(5)	-
(Loss) Profit for the year	(3,145,728)	(81,088)	(84,486)	(194,680)	178,916
Attributable to:					
Owners of the Company	(3,145,728)	(81,088)	(84,486)	(194,506)	179,047
Non-controlling interests	-	-	-	(174)	(131)
(Loss) Profit for the year	(3,145,728)	(81,088)	(84,486)	(194,680)	178,916
As at 31 December					
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
ASSETS AND LIABILITIES					
Total assets	6,309,022	5,754,134	3,888,390	3,217,784	3,286,546
Total liabilities	(568,176)	(475,819)	(157,345)	(181,629)	(167,598)
	5,740,846	5,278,315	3,731,045	3,036,155	3,118,948
Equity attributable to owners of the Company	5,740,846	5,278,315	3,731,045	3,032,018	3,114,942
Non-controlling interests	-	-	-	4,137	4,006
	5,740,846	5,278,315	3,731,045	3,036,155	3,118,948