



瑞威资管  
REALWAY CAPITAL

# 上海瑞威資產管理股份有限公司

SHANGHAI REALWAY CAPITAL ASSETS MANAGEMENT CO., LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock code : 1835.HK

2025

ANNUAL REPORT



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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. ZHU Ping (朱平) (*Chairman and Chief Executive Officer*)  
Mr. DUAN Kejian (段克儉)  
Mr. FAN Lei (樊磊)

### Non-executive Directors

Mr. CHENG Jun (成軍)  
Mr. WANG Xuyang (王旭陽)

### Independent non-executive Directors

Mr. SHANG Jian (尚健)  
Ms. YANG Huifang (楊惠芳)  
Mr. ZHU Hongchao (朱洪超)

## SUPERVISORS

Ms. CAI Luyi (蔡璐懿) (*Chairman*)  
Mr. LU Xili (陸希立)  
Ms. WANG Juanping (王娟萍)

## AUDIT COMMITTEE

Ms. YANG Huifang (楊惠芳) (*Chairman*)  
Mr. SHANG Jian (尚健)  
Mr. ZHU Hongchao (朱洪超)

## NOMINATION COMMITTEE

Mr. ZHU Ping (朱平) (*Chairman*)  
Mr. SHANG Jian (尚健)  
Ms. YANG Huifang (楊惠芳)

## REMUNERATION COMMITTEE

Mr. ZHU Hongchao (朱洪超) (*Chairman*)  
Ms. YANG Huifang (楊惠芳)  
Mr. ZHU Ping (朱平)

## COMPANY SECRETARY

Ms. LAU Wai Yee (劉惠儀)

## REGISTERED OFFICE

Room 26G-3,  
No. 828-838,  
Zhangyang Road (Even numbers)  
Pilot Free Trade Zone,  
Shanghai,  
PRC

## PRINCIPAL PLACE OF BUSINESS IN PRC

Unit 707, 7th Floor, Century Link Tower 1  
No. 1198 Century Avenue  
Pudong New District  
Shanghai 200122  
China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

29/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

## AUTHORISED REPRESENTATIVES

Mr. ZHU Ping (朱平)  
Ms. LAU Wai Yee (劉惠儀)

## H SHARE REGISTRAR

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

## LEGAL ADVISOR (AS TO HONG KONG LAW)

Howse Williams  
27/F Alexandra House  
18 Chater Road  
Central, Hong Kong

## AUDITOR

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
27/F, Oxford House Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## PRINCIPAL BANKER

China Merchants Bank  
Shanghai Gubei Branch  
75 Shuicheng Nan Road  
Changning District  
Shanghai, PRC

## STOCK CODE

1835

## COMPANY'S WEBSITE

<https://www.realwaycapital.com>

# Chairman's Statement

Dear shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, I am pleased to present the annual report for the year ended 31 December 2025 (the "**Year**" or "**Reporting Period**") of Shanghai Realway Capital Assets Management Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**").

## MARKET AND PERFORMANCE REVIEW

In 2025, the Chinese economy pressed ahead regardless of headwinds, showing remarkable resilience. Overall, the economic performance remained stable and showed progress. Driven by both policy reforms and market transformation, China's asset management industry entered a phase of high-quality development.

For the real estate industry, 2025 was still full of challenges. China's residential market remained at the stage of bottoming-out and adjustment where pressure of reducing inventory persisted. The overall real estate bulk transaction market cooled down, with lower transaction volumes and less market activity. Also, operational real estate market faced pressure from supply-demand structural adjustments, with pressure on market rent levels and indication of persisting vacancy rate in general. This complex market environment placed higher demands on real estate fund managers in respect of identification of investment opportunities, refined operation of underlying assets and project risk assessment and avoidance.

As an asset manager with deep commitment in the real estate and distressed assets sectors, the Group has proactively addressed the downward pressure on the industry whilst adhering to professional standards. During the Year, the fund management business of the Group achieved substantial progress in the operational management of existing funds, the revitalisation and disposal of existing assets and the risk mitigation for projects with default risks. The operational performance of underlying projects across various funds continued to improve. For investment advisory business, the Group offered professional consultancy services such as investment and financing advisory and post-investment management advisory for an aggregate of 14 real estate projects during the Year, with revenue from investment advisory business reaching a new historical high.

Meanwhile, the Group also achieved new breakthroughs in the personal loan distressed assets disposal and legal consultancy business segments. Since the commencement of the personal loan distressed assets disposal and legal consultancy businesses in the second half of 2024, these two business segments gradually gained momentum during the Year, with the personal loan distressed assets disposal and legal consultancy businesses achieving revenues of approximately RMB5.4 million and RMB3.0 million respectively, becoming new sources of revenue growth for the Group.

During the Year, the Group achieved a revenue of approximately RMB30.4 million, representing a year-on-year increase of approximately 15.4%. During the Year, the Group recorded a net loss, representing an increase of approximately RMB14.7 million compared to last year, mainly attributable to the sluggish real estate market, which posed a certain impact on the financial performance of the Group for the Year. The Group is proactively developing its personal loan distressed assets disposal and legal consultancy businesses by optimisation of its revenue structure with an aim to reduce its reliance on the real estate industry while enhancing the Group's ability to continue as a going concern.

# Chairman's Statement

## FUTURE OUTLOOK

At present, China's real estate market is undergoing structural adjustments, with the industry shifting from a stage of incremental expansion to that of existing assets optimisation. In 2026, in line with industry development trends, the Group will deepen its focus on its core asset management business and seize market opportunities, in order to drive growth across various business segments.

For the fund management business, the Group will continue to strengthen its professional capabilities in real estate and distressed assets fund management, enhance the refined operation of existing projects, raise asset operational efficiency and cash flow stability, and capture policy opportunities arising from the regularisation of commercial real estate REITs issuance and the refinement of regime on follow-on offerings to facilitate the assets securitisation of eligible commercial real estate.

The investment advisory business has achieved rapid development in recent years. The Group will further refine its full-cycle service system, providing tailor-made service solutions focusing on customers' core needs in asset screening, transaction pricing, risk assessment and post-investment management. The Group will focus on special-opportunity distressed assets projects, striving to deliver professional expertise in the screening, packaging, acquisition and disposal of such distressed assets, thus assisting customers to mitigate asset risks and achieve value appreciation.

The personal loan distressed assets disposal business has become a new business focus of the Group. It will adhere to compliance as the bottom line, adopt technology as the pillar, and take credit restoration as the guiding principle. Based on its asset management experience, the Group aims to integrate all parts of the personal loan distressed assets industry chain through fintech and operational capabilities, raising market competitiveness with economies of scale and enhanced operational efficiency.

For the legal consultancy business segment, the Group will build an online diversified customer acquisition system, delivering legal content specific to context across all types of new media platforms to precisely capture online traffic, gradually increasing the number and conversion quality of customers acquired through online channels. Besides, the Group will expedite the application of legal technology by making use of artificial intelligence for higher service quality and efficiency.

The Group will adhere to operational compliance and improve its risk control system. Through its business structure optimisation, technology empowerment and increasing professional capabilities, the Group will strengthen its risk resilience and comprehensive competitiveness to create long-term value for its shareholders (the "**Shareholders**").

## ACKNOWLEDGEMENTS

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to our Shareholders, customers and business partners for their continuous support. I would also like to express my appreciation to the management team and staff who have contributed to the business development of the Group over the years.

*Chairman and Chief Executive Officer*

**Zhu Ping**

Shanghai, 30 March 2026

# Financial Summary

	As at and for the year ended 31 December				
	2025 (audited)	2024 (audited)	2023 (audited)	2022 (audited)	2021 (audited)
<b>OPERATING RESULTS</b>					
Revenue (RMB'000)	30,358	26,312	17,872	36,753	54,200
Loss for the year (RMB'000)	(27,735)	(13,201)	(57,925)	(34,613)	(39,382)
Loss attributable to:					
Owners of the parent (RMB'000)	(27,016)	(13,105)	(56,733)	(34,493)	(39,227)
<b>EARNINGS</b>					
Basic and diluted loss per share attributable to ordinary equity holders of the parent (RMB cents)	(17.62)	(8.55)	(37.00)	(22.49)	(25.58)
<b>ASSETS, LIABILITIES AND EQUITY</b>					
Total assets (RMB'000)	266,768	289,841	334,150	362,385	391,556
Total liabilities (RMB'000)	33,355	28,888	61,115	31,910	25,192
Total equity (RMB'000)	233,413	260,953	273,035	330,475	366,364

# Biographical Details of Directors, Supervisors and Senior Management

## DIRECTORS

### Executive Directors

**Mr. ZHU Ping (朱平) (“Mr. Zhu”)**, aged 54, has been the chief executive officer (“**Chief Executive Officer**”) and executive Director since January 2010, and he has also been directors of various subsidiaries of the Company. Mr. Zhu is also the chairman of the nomination committee (the “**Nomination Committee**”) of the Company and a member of the remuneration committee (the “**Remuneration Committee**”) of the Company. Mr. Zhu is involved in the day-to-day management of the Group and is primarily responsible for the Group’s development, strategy planning, positioning and overall business management. Mr. Zhu has obtained the PRC Fund Qualification Certificate\* (基金從業人員資格考試成績合格證) in April 2016 and is qualified to practice in fund investment and management. Prior to his joining of the Group, Mr. Zhu became a member of All China Lawyers Association (中國律師協會) in 1996 and had been practising law for over 20 years. From August 1993 to February 1995, Mr. Zhu worked as a clerk in Shanghai Railway Transportation Intermediate Court (上海鐵路運輸中級法院). From March 1995 to November 1998, Mr. Zhu worked as an associate at Zhengnan Law Firm (虹橋正瀚律師事務所) (previously known as Shanghai Hongqiao Law Firm\* (上海虹橋律師事務所)). In May 1999, Mr. Zhu joined the Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm\* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm\* (上海中建中匯律師事務所)), where he has been the managing partner of Boss & Young Attorneys-At-Law from December 2008 until January 2014, where he ceased to be the managing partner and took up an honorary role at the firm in order to devote more time towards the management of the Group. In addition to his main practice, Mr. Zhu had been engaged in various commitments. From October 2006 to December 2008, Mr. Zhu served as a senior vice president in E-House China (易居中國). From January 2009 to December 2009, Mr. Zhu served at Tianjin Binhai Lianchuang Fund Management Company Limited\* (天津濱海聯創投資基金管理有限公司) as a general manager, and accumulated work experience in fund investment and management. Throughout his career as a legal practitioner as well as serving as management personnel of various private companies, Mr. Zhu had handled numerous private equity fund or related transactions including various investments in real estate assets.

Mr. Zhu obtained a bachelor of laws degree from East China University of Political Science and Law (華東政法大學) in June 1993 and executive master of business administration from Cheung Kong Graduate School of Business (長江商學院) in October 2009. In July 2017, Mr. Zhu obtained a doctorate in business administration in Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學上海高級金融學院).

**Mr. DUAN Kejian (段克儉) (“Mr. Duan”)**, aged 56, joined the Group in January 2012 as a general manager of one of the Group’s project development teams and was appointed as an executive Director in May 2012. Mr. Duan is primarily responsible for assets disposal of the Group. Mr. Duan has obtained the PRC Fund Qualification Certificate\* (基金從業人員資格考試成績合格證) in September 2015 and is qualified to practice in fund investment and management. Mr. Duan obtained the Qualifications for Constructor\* (一級建造師職業資格) in March 2005. Prior to his joining of the Group, he worked as an authorised representative and an executive director of Shanghai Feiding Decoration and Construction Company\* (上海飛鼎建築裝飾工程有限公司), a construction company of the PRC, from June 2002 to October 2005. From January 2009 to December 2009, Mr. Duan worked at Tianjin Binhai Lianchuang Fund Management Company Limited\* (天津濱海聯創投資基金管理有限公司), and accumulated substantial experience in fund investment and management. Throughout his career as a professional within the construction industry as well as serving as management personnel of various private companies, Mr. Duan was involved in various real estate related private equity fund transactions including acquisitions of real estate assets.

Mr. Duan obtained a bachelor’s degree in engineering from Tongji University (同濟大學) in July 1992 and obtained an executive master degree in business administration in Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學高級金融學院) in December 2018.

# Biographical Details of Directors, Supervisors and Senior Management

**Mr. FAN Lei (樊磊) (“Mr. Fan”)**, aged 48, joined the Group in January 2015 and has served successively as general manager of the investor relations department, member of the investment decision committee and vice president. He currently serves as the chief strategy officer of the Group and is primarily responsible for formulating strategic planning and development plan of the Group. Mr. Fan has obtained the PRC Fund Qualification Certificate\* (基金從業人員資格考試成績合格證) in 2015 and is qualified to practice in fund investment and management. He has over 20 years of experience in private equity funds, trusts, real estate investments and law. From August 2001 to January 2006, Mr. Fan worked as a paralegal at two law firms. From January 2006 to January 2015, Mr. Fan worked at CITIC Trust Co., Ltd., and his last position was the head of the innovation business department I.

Mr. Fan obtained a bachelor’s degree in economic law from Southwestern University of Finance and Economics in July 2001 and a master’s degree in international business and European Union law from the University of Sheffield in the United Kingdom in November 2004.

## Non-Executive Directors

**Mr. WANG Xuyang (王旭陽) (“Mr. Wang”)**, aged 56, joined the Group in June 2015, and was appointed as a non-executive Director in December 2015. Mr. Wang is mainly responsible for advising the Group on strategic development and corporate governance. Prior to his joining of the Group, he has over 16 years of experience in the real estate asset management industry. From December 1992 to July 2004, Mr. Wang worked at Shanghai Yangming Real Estate Limited Company\* (上海陽明房地產有限公司) and his last position with Shanghai Yangming Real Estate Limited Company was the general manager. From August 2004 to August 2015, Mr. Wang served as a director and the general manager at Shanghai Gezhouba Yangming Zhiye Limited Company\* (上海葛洲壩陽明置業有限公司). Since August 2015, Mr. Wang has been serving as the chairman of the board of Shanghai Tengjun Investment Limited Company\* (上海騰駿投資有限公司).

Mr. Wang graduated from Zhejiang University (浙江大學) in December 1991 and obtained a bachelor’s degree in architecture. He also obtained a master of business administration degree from China Europe International Business School (中歐國際工商學院) in August 2014.

**Mr. CHENG Jun (成軍) (“Mr. Cheng”)**, aged 58, joined the Group in January 2010, and was appointed as a non-executive Director in December 2015. Mr. Cheng is mainly responsible for advising the Group on strategic development and corporate governance. Prior to his joining of the Group, Mr. Cheng had over 17 years of management experience. From September 1989 to February 1993, Mr. Cheng worked as a clerical manager at China Eastern Airlines Company (中國東方航空公司). Mr. Cheng worked as a senior vice president at Ctrip Computer Technology (Shanghai) Co., Ltd.\* (攜程計算機技術(上海)有限公司) from July 1999 to September 2001. From November 2004 to April 2010, Mr. Cheng served as chief development officer and the chief strategy officer of H World Group Limited (previously known as Huazhu Group Limited), a company whose shares are listed on NASDAQ (stock code: HTHT) and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 1179).

Mr. Cheng graduated from Shanghai Jiao Tong University (上海交通大學) with a bachelor’s degree of applied mechanics in July 1989. He also obtained an executive master of business administration degree from the Cheung Kong Graduate School of Business (長江商學院) in October 2009.

# Biographical Details of Directors, Supervisors and Senior Management

## Independent Non-Executive Directors

**Mr. SHANG Jian (尚健)** (“**Mr. Shang**”), aged 58, was appointed as an independent non-executive Director on 22 October 2018 and is also a member of the audit committee of the Company (the “**Audit Committee**”) and the Nomination Committee. Mr. Shang has over 25 years of work experience related to fund management and securities. From January 2002 to February 2004, Mr. Shang served at Hua’an Fund Management Co., Ltd. (華安基金管理有限公司), and was employed as the deputy general manager in June 2002 and quitted in February 2004. From January 2004 to April 2006, he served as the general manager of Yinhu Fund Management Co., Ltd. (銀華基金管理有限公司). From September 2006 to November 2012, Mr. Shang served as the general manager of UBS SDIC Fund Management Co., Ltd. (國投瑞銀基金管理有限公司). Since September 2013, Mr. Shang has been serving as the general manager of Shanghai HSAM Management Centre (Limited Partnership)\* (上海弘尚資產管理中心(有限合夥)). Since May 2014 to August 2025, Mr. Shang served as an independent director of H World Group Limited (previously known as Huazhu Group Limited), a company whose shares are listed on NASDAQ (stock code: HTHT) and the Stock Exchange (stock code: 1179). Since May 2024, Mr. Shang has also been serving as an independent non-executive director of Bloks Group Limited, a company whose shares are listed on the Stock Exchange (stock code: 325).

Mr. Shang obtained a bachelor’s degree of engineering from Shanghai Jiao Tong University (上海交通大學) in July 1989, and a master’s degree of economics in December 1994 and a doctorate’s degree in philosophy in business administration from the University of Connecticut in December 1997.

**Ms. YANG Huifang (楊惠芳)** (“**Ms. Yang**”), aged 49, was appointed as an independent non-executive Director on 22 October 2018 and is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Ms. Yang is mainly responsible for providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Group. Prior to her joining of the Group, from September 2001 to August 2004, Ms. Yang served as an associate director in the department of audit in Zhejiang Zhongzhou Accounting Limited Company\* (浙江中州會計師事務所有限公司). From September 2004 to August 2011, Ms. Yang served as a deputy general manager in the financial department of Greentown Real Estate Group Co., Ltd\* (綠城房地產集團有限公司). From August 2011 to February 2013, Ms. Yang worked as a finance manager of Zhejiang Jiaotong Real Estate Group Co., Ltd\* (浙江省交通地產集團有限公司). From February 2013 to December 2015, Ms. Yang served as a deputy general manager of Shanghai Sunac Greentown Investment Holdings Limited\* (上海融創綠城投資控股有限公司). From January 2016 to July 2018, Ms. Yang served as a general manager of the financial department of Greentown Service Group Co., Ltd. (綠城服務集團有限公司), a company whose shares are listed on the Stock Exchange (stock code: 2869). From August 2018 to November 2020, Ms. Yang had been serving as a vice president and general manager of the finance management centre of the Group at a regional branch of Xiangsheng Real Estate Group Limited\* (祥生地產集團有限公司). Since February 2021, Ms. Yang has served as the investment director of Shanghai Daohe Long-term Investment Management Co., Ltd.\* (上海道禾長期投資管理有限公司).

Ms. Yang graduated from Nanjing Audit University (南京審計學院) with a bachelor’s degree in auditing in June 2000. Ms. Yang became a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in September 2003 and the Certified Tax Agents (中國註冊稅務師) in December 2003.

**Mr. ZHU Hongchao (朱洪超)**, aged 66, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee as well as a member of the Audit Committee on 1 July 2022. He served as a lawyer at Shanghai First Law Firm (上海市第一律師事務所) from July 1983 to June 1986. He has been acting as the director and senior partner of Shanghai United Law Firm (上海市聯合律師事務所) from June 1986 to March 2021. From 1994 to 2018, Mr. Zhu Hongchao served as the vice president of All China Lawyers Association, and the president and the chief supervisor of Shanghai Bar Association. Mr. Zhu Hongchao currently serves as an arbitrator of Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Centre) and Shanghai Arbitration Commission.

# Biographical Details of Directors, Supervisors and Senior Management

Currently, Mr. Zhu Hongchao holds directorships in the following listed companies: an independent non-executive director of E-House (China) Enterprise Holdings Limited (a company with its shares listed on the Stock Exchange, stock code: 2048) since July 2018; an independent director of Shanghai Research Institute of Building Sciences Group Co., Ltd. (a company with its shares listed on the Shanghai Stock Exchange (“SSE”) (stock code: 603153)) since November 2020; and an independent director of Bright Real Estate Group Co., Ltd. (光明房地產集團股份有限公司) (a company with its shares listed on SSE, stock code: 600708) since August 2021.

Mr. Zhu Hongchao was also an independent non-executive director of Haitong Securities Co., Ltd. (a company with its shares listed on SSE and the Stock Exchange prior to March 2025, stock code: 600837 and 6837 respectively) from June 2019 to October 2023; an independent director of Shanghai Hysea Industrial Communications Co., Ltd. (上海海希工業通訊股份有限公司) (a company with its shares listed on Beijing Stock Exchange, stock code: 920405) from July 2020 to October 2023, an independent non-executive director of Sansheng Holdings (Group) Co. Ltd. (a company with its shares listed on the Stock Exchange prior to December 2023, stock code: 2183) from February 2021 to December 2023; an independent director of Leju Holdings Limited (a company with its shares listed on the New York Stock Exchange before April 2024, stock code: LEJU) from March 2017 to May 2024; and an independent director of Shanghai Bailian Group Co., Ltd. (上海百聯集團股份有限公司) (a company with its shares listed on SSE, stock code: 600827) from June 2021 to June 2024.

Mr. Zhu Hongchao received his bachelor’s degree in law from the branch of Fudan University in 1983 and his master’s degree in foreign legal history from Fudan University in July 1996. In 1993, he was qualified by the China Securities Regulatory Commission to engage in securities law practice.

## SUPERVISORS

**Ms. CAI Luyi (蔡璐懿) (“Ms. Cai”)**, aged 46, joined the Group as a manager of the Group’s archives department in August 2016, and was appointed as a supervisor of the Company (the “**Supervisor**”) in July 2017. Ms. Cai is mainly responsible for supervising and providing independent judgement to the Board. From December 2003 to March 2010, Ms. Cai served as the administrative director of the Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm\* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm\* (上海中建中匯律師事務所)). From May 2010 to July 2016, Ms. Cai served as the administrative director in Shanghai Zunwei Industrial Development Co. Limited\* (上海尊威實業發展有限公司).

Ms. Cai obtained a higher diploma in commercial and residential construction from the Shanghai Construction School (上海市住宅建築學校) in July 1999.

**Mr. LU Xili (陸希立) (“Mr. Lu”)**, aged 42, was appointed as a Supervisor in January 2016. Mr. Lu became a member of All China Lawyers Association (中國律師協會) in March 2009 and has over 15 years of legal practice experience. From July 2006 to March 2011, Mr. Lu worked as an assistant associate at Jin Mao Law Firm\* (上海市金茂律師事務所). Since March 2011, Mr. Lu has been working at Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm\* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm\* (上海中建中匯律師事務所)), and is currently serving as a partner at the firm. While he was serving at the firm, he joined in the international high performers internship programme offered by A&L Goodbody, an international law firm headquartered in the Republic of Ireland, from September 2012 to March 2013 and completed it successfully.

Mr. Lu graduated from East China University of Political Science and Law (華東政法大學) (previously known as the East China College of Political Science and Law (華東政法學院)) and obtained a bachelor’s degree of laws in July 2006.

**Ms. WANG Juanping (王娟萍) (“Ms. Wang”)**, aged 57, was appointed as a Supervisor in January 2016. Before Ms. Wang joined the Group, she was the financial controller of the Shanghai office of Boss & Young Attorneys-At-Law (上海邦信陽律師事務所) (previously known as Shanghai Zhonghui Law Firm\* (上海中匯律師事務所) and Shanghai Zhongjian Zhonghui Law Firm\* (上海中建中匯律師事務所)) from February 2002 to April 2015.

Ms. Wang obtained her bachelor’s degree of accountancy from Lanzhou University of Finance and Economics (蘭州商學院) in June 1996.

# Biographical Details of Directors, Supervisors and Senior Management

## SENIOR MANAGEMENT

**Mr. WAN Fang (萬方) ("Mr. Wan")**, aged 47, joined the Company in May 2013, and was appointed as the vice president of the Group in November 2023 and is primarily responsible for the Group's property investment, special assets and assets disposal. Mr. Wan has over 15 years of experience in asset management industry. From July 2001 to May 2002, Mr. Wan worked in a management position at China Vanke Co., Ltd. (萬科企業股份有限公司), and from May 2004 to April 2005, Mr. Wan worked as a sales executive at Forte Land Company Limited (復地(集團)股份有限公司). From November 2004 to October 2005, Mr. Wan worked as a marketing director at Shanghai office of Chengquan Real Estate Consulting Limited\* (上海成全置業顧問有限公司). From December 2007 to December 2008, Mr. Wan worked as a branding and marketing manager in Shanghai Zhongkai Real Estate Development Co., Ltd.\* (上海中凱房地產開發管理有限公司). From August 2009 to April 2010, Mr. Wan worked at Tianjin Binhai Lianchuang Fund Management Company Limited\* (天津濱海聯創投資基金管理有限公司) as the general manager. From October 2010 to May 2013, Mr. Wan worked as a vice general manager and general manager at Shanghai Jiaheng Haofa Real Estate Development Co., Ltd. (上海嘉恒浩發房地產開發管理有限公司). Mr. Wan has obtained the PRC Fund Qualification Certificate\* (基金從業人員資格考試成績合格證) in April 2016 and is qualified to practice in fund investment and management. Throughout his career within the private sector, Mr. Wan had handled private equity fund transactions including acquisitions of real estate assets.

Mr. Wan obtained his bachelor's degree of business administration from Fudan University (復旦大學) in July 2001, and further obtained his master's degree of business administration from Fudan University in June 2009.

**Mr. SUN Mao (孫懋) ("Mr. Sun")**, aged 42, joined the Company in December 2010 and is currently serving as the chief financial officer and the vice president of the Group responsible for the Group's accounting and financial management, strategic development and operational planning of the Group. Prior to joining the Company, from January 2008 to March 2010, he has been working at Ernst & Young Hua Ming LLP with his last position being a senior auditor. From April 2010 to December 2010, he has been working at Siemens Shanghai Medical Equipment Ltd. (上海西門子醫療器械有限公司) as a senior financial analyst.

Mr. Sun obtained a master of business administration degree from Shanghai Jiao Tong University in 2013 and became a member of the Chinese Institute of Certified Public Accountant (中國註冊會計師協會) in 2010. Mr. Sun has obtained PRC Fund Qualification Certificate\* (基金從業人員資格考試成績合格證) in June 2017 and is qualified to practice in fund investment and management. Mr. Sun has over 15 years of experience in accounting, auditing, financial management and corporate management.

## COMPANY SECRETARY

**Ms. LAU Wai Yee (劉惠儀) ("Ms. Lau")**, aged 60, was appointed as the company secretary of the Group on 13 October 2019. Ms. Lau has over 35 years of experience in corporate secretarial and compliance fields. She started working as a company secretarial assistant in KPMG in 1987. Thereafter, she was employed as an assistant company secretarial manager of Deloitte in 1994 and a corporate services manager under the Tax Division of Arthur Andersen in 1999. Ms. Lau also worked as a corporate services manager of PricewaterhouseCoopers (PwC) and Tricor Services Limited in 2002 and 2003 respectively. In 2004, she started her first own business consulting company providing corporate and compliance consulting services to multinational clients, offshore companies as well as private and listed companies. She sold the company in 2012 and started a new consulting company in 2014, namely Conyers Consulting Limited, formerly known as Immanuel Consulting Limited, a professional service company specializing in integrated business and corporate services. She is currently the director of Conyers Consulting Limited.

Ms. Lau has become a governance professional since 1990. She is a fellow member of both The Hong Kong Chartered Governance Institute ("HKCGI") (formerly known as The Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute in the United Kingdom and a fellow member of The Hong Kong Institute of Directors. Ms. Lau is a holder of the Practitioner's Endorsement from HKCGI.

# Management Discussion and Analysis

## BUSINESS REVIEW

As an asset management company in the PRC, the Group is mainly engaged in (i) fund management business specialising in real estate and distressed assets; (ii) investment advisory business in relation to real estate and distressed assets investment; (iii) personal loan distressed assets disposal business; (iv) legal consultancy business; and (v) real estate leasing business.

### Fund management business

The Group manages two broad types of funds, namely (i) fund(s) structured and managed for the purpose of directly investing in a specific real estate investment project and distressed assets project (“**Project Fund(s)**”); and (ii) flexible funds structured and managed, or co-managed, by the Group which may invest in designated types of funds under the Group’s portfolio assets instead of making direct investment into investment projects and are permitted to invest in multiple investment projects indirectly through a number of funds at the same time (“**FOF(s)**”). The Group’s managed funds invest in three main categories of portfolio assets, namely commercial real estate projects, distressed assets projects, and urbanisation and redevelopment projects.

In 2025, there was continuous improvement in the operational performance of various underlying projects managed by the Group, reflected by significant revenue growth and effective cost control. For instance, for the Shanghai Zhongheng Long-term Rental Apartment Project\* (上海眾恆長租公寓項目), leveraging precise market positioning and effective operational management, the Group attained a higher occupancy rate of this project and achieved sustainable operation of its properties held, despite the bulk transaction market downturn. For the Shanghai Huaqiaocheng Commercial Real Estate Project\* (上海華僑城商業不動產項目), the Group worked with professional operators to strengthen consumer stickiness through the adjustment of store formats and iteration of brand matrix, thereby facilitating steady growth in project revenue and customer traffic. In addition, the Group actively liaised with various financial institutions to refinance project loans under the prevailing low interest rate environment. The Group obtained new bank loans for certain projects during the Year, which contributed to the gradual reduction in the financing costs of the invested projects and consolidated the risk resilience of assets. With regard to projects in default, the Group has actively engaged in risk mitigation through legal means such as arbitration, litigation and debt claims to facilitate debt settlement and asset preservation, with an aim to safeguard investors’ interests on the best effort basis.

As at 31 December 2025, the Group’s managed funds invested in 14 commercial real estate, urbanisation and redevelopment, distressed assets projects located in Shanghai, Zhejiang, Jiangsu, Sichuan, Shenzhen, Henan and other locations in the PRC with assets under management (“**AUM**”) of RMB2,011.0 million. During the Year, a fund under the management of the Group made liquidated distributions to the fund unit holders by way of non-monetary distributions.

Set out below is a breakdown of the AUM by type of funds as at the end of relevant years <sup>(Note 1)</sup>:

	As at 31 December 2025 AUM RMB million	As at 31 December 2024 AUM RMB million
Project Funds	1,565.0	1,599.2
FOFs	557.7	566.9
Less: FOFs investments in Project Funds	(111.7)	(112.7)
Total	2,011.0	2,053.4

# Management Discussion and Analysis

Set out below is a breakdown of fund AUM by portfolio asset type as at the end of relevant years <sup>(Note 2)</sup>:

	As at 31 December 2025			As at 31 December 2024		
	Number of projects	AUM RMB million	Proportion %	Number of projects	AUM RMB million	Proportion %
Commercial real estate projects	6	1,283.2	63.8%	6	1,286.4	62.7%
Urbanisation and redevelopment projects	5	573.5	28.5%	5	612.7	29.8%
Distressed assets projects	3	154.3	7.7%	3	154.3	7.5%
<b>Total</b>	<b>14</b>	<b>2,011.0</b>	<b>100.0%</b>	<b>14</b>	<b>2,053.4</b>	<b>100.0%</b>

Notes:

1. The amount which FOFs had invested in Project Funds was eliminated from the breakdown of the AUM by type of funds to avoid double counting.
2. Projects invested by our FOFs with specified Project Fund investment that has not been established are included in the breakdown of fund AUM by portfolio asset type. As at 31 December 2025, the total management scale directly invested by our FOFs with specified Project Fund investment that has not been established amounted to RMB446.0 million (31 December 2024: RMB454.2 million).

## Investment advisory business

As a professional service institution, the Group provides a comprehensive range of services including project valuation analysis, pre-investment consultation, due diligence, transaction structuring, management consultation, post-investment management and assets disposal to enterprises or high-net-worth individuals with investment and financing needs for real estate, distressed assets or special opportunity projects.

In recent years, the Group has continuously put more effort into deployment and expansion of its investment advisory business. Under the asset-light operational models such as investment and financing advisory services and post-investment management, the Group has strengthened its professional service capabilities and market influence. The Group successfully secured a number of significant projects in 2025, including the strategic advisory project for commercial complex in Shanxi, investment advisory project for shopping centre in Sichuan and investment advisory project for residential development in Jiangsu. During the Reporting Period, the Group provided investment advisory services for a total of 14 projects, realising an investment advisory income of approximately RMB14.0 million.

## Personal loan distressed assets disposal business

Driven by dual effects of policy initiatives and economic cycles, the personal loan distressed assets market in the PRC has experienced continuous rapid growth in terms of scale. The Group has deployed its personal loan distressed assets acquisition and disposal business since 2024. In 2025, the subsidiary of the Company, Realway Capital Assets Management (Beijing) Co., Ltd.\* (北京瑞威資產管理有限公司), collaborated with the enterprises possessing years of experience and extensive resources in the industry for the establishment of joint ventures offering personal loan distressed assets disposal services. In 2025, the indirect subsidiaries of the Company, Shenzhen Yuanhui Qichuang Technology Co., Ltd.\* (深圳市源匯啟創科技有限公司) and Shanghai Tai Zhi Wei Information Technology Co., Ltd.\* (上海鈦之威信息科技有限公司), were entrusted to dispose of personal loan distressed debt with the principal amount of approximately RMB2,559.3 million in aggregate, involving approximately 208,000 debtors, and generated revenue of approximately RMB5.4 million from personal loan distressed assets disposal services.

# Management Discussion and Analysis

## Legal consultancy business

The Group has launched its legal consultancy business since late 2024 and established a subsidiary, Realway Bangchuang AiLu (Shanghai) Technology Service Co. Ltd.\* (瑞威邦創愛律(上海)科技服務有限公司) (“**Realway Bangchuang**”), to provide micro, small and medium-sized enterprises as well as individual clients with efficient and professional comprehensive legal service solutions. During the Reporting Period, Realway Bangchuang focused on acquiring clients through public channels. Through the means of online traffic attracting and offline conversion, it served hundreds of clients and generated legal consultancy income of approximately RMB3.0 million.

## Real estate leasing business

In 2023, the Group acquired two companies holding two shops located in Chengdu, Sichuan Province with a total gross floor area of 3,381.67 square metres. Both shops are being leased under respective long-term lease agreements, achieving rental income of approximately RMB2.0 million during the Reporting Period.

## FINANCIAL REVIEW

### Revenue

The Group derived its revenue mainly from (i) the advisory fees charged for provision of advisory services; (ii) the management fees charged on the Project Funds and FOFs established and managed by the Group; and (iii) rental fees charged on leasing real estate. During the Reporting Period, the Group recognised revenue of approximately RMB30.4 million, representing an increase of approximately RMB4.0 million or approximately 15.4% as compared to the corresponding period last year.

Set out below is a breakdown of the revenue by income sources during the periods indicated:

	For the year ended 31 December			
	2025 (RMB'000)	2024 (RMB'000)	Change (RMB'000)	Rate of Change (%)
Advisory fee income				
– Investment advisory	14,035	13,081	954	7.3%
– Disposal of distressed assets of personal loans	5,437	–	5,437	100.0%
– Legal consultancy	3,012	35	2,977	8,505.7%
Fund management fee income	5,899	11,582	(5,683)	(49.1%)
Rental fee income	1,975	1,614	361	22.4%
Total	30,358	26,312	4,046	15.4%

The increase in revenue was mainly because advisory fee income increased by approximately RMB9.4 million as compared to the corresponding period last year, with advisory fee income from personal loan distressed assets disposal business and legal consultancy business increasing by approximately RMB5.4 million and RMB3.0 million respectively as compared to the corresponding period last year. The Group has commenced its personal loan distressed assets disposal and legal advisory business since the second half of 2024. While the legal advisory business generated a modest amount of revenue in 2024, income from such relevant businesses has further increased during the Year. During the Year, the fund management business of the Group did not invest in any new projects and ceased to collect fund management fees for most of the funds in the existing projects as they entered into the liquidation stage, resulting in a decrease in fund management fee income of approximately RMB5.7 million as compared with last year.

# Management Discussion and Analysis

## Cost of sales

Cost of sales primarily consisted of (i) outsourcing service fees related to the personal loan distressed assets disposal business; and (ii) channel fees in relation to the legal consultancy business. The cost of sales for the personal loan distressed assets disposal business for the Year was approximately RMB3.9 million, and cost of sales for the legal consultancy business was approximately RMB0.2 million.

## Other income and gains

During the Year, the Group generated other income and gains of approximately RMB4.1 million, representing an increase of approximately RMB3.2 million as compared to the corresponding period last year. This was primarily attributable to the commencement of proprietary securities trading by a subsidiary of the Company in Hong Kong, Prominence Global Fund Management Co., Limited ("**Prominence Global**") during the Year. Through capitalising on investment opportunities in the securities market in Hong Kong, it achieved gains from listed equities investment of approximately RMB3.9 million.

## Impairment losses on trade receivables

The Group applied the simplified approach under IFRS 9 to provide for expected credit loss ("**ECL**"). Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

At the end of the Year, the Group conducted a comprehensive assessment of its receivables, comprehensively considering various factors including the debtors' historical repayment records, ageing of accounts, financial position and the macroeconomic environment for each receivable. During the Year, a provision for impairment losses on receivables of approximately RMB3.0 million was recognised based on the ECL model, primarily affected by market conditions and fund arrangements of customers, resulting in a delay in the expected settlement schedule for certain receivables on fund management fees and investment advisory project advisory fees. Upon the assessment adopting the ECL model, the probability of default increased and the management accordingly determined and made the corresponding provision for impairment losses on receivables.

## Increase in fair value of IAFV

As part of the Group's ordinary and usual course of business, the Group has been making investments in the funds structured and managed by itself. Such investments were recognised as IAFV in the Group's financial statements.

The Group, as an investment fund manager, measures the above investments in associate(s) or joint venture(s) at fair value through profit or loss in accordance with IFRS 9. Related real estate investments or financial assets held by these associates or joint ventures classifies as level 3 hierarchy of fair value measurement, which is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The valuation techniques and key inputs under such accounting policy are: discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, and discounted at rates that reflect management's best estimation of the expected risk level. It indicates the following relationship to fair value:

- the higher the recoverable amounts, the higher the fair value;
- the earlier the recovery date, the higher the fair value;
- the lower the discount rates, the higher the fair value.

# Management Discussion and Analysis

The fair value of IAFV for the Year increased by approximately RMB5.2 million, which was mainly attributable to completion of distribution by Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership) (“**Ningbo Ruichong Partnership**”) during the Year and the Group’s withdrawal from the partnership and receipt of two debts by way of non-monetary distribution. Such two debts were measured as investments in financial assets at fair value through profit or loss at the end of the Reporting Period. The unrealised fair value loss of approximately RMB15.7 million recognised in prior years in respect of this investment was credited to other expense accounts upon re-classification for the Year, leading to an increase in the fair value of IAFV of approximately RMB15.7 million. Such increase in fair value of IAFV was partially offset due to the downturn in the property industry and sluggish market demand in general leading to a decrease in the valuation of the underlying assets of projects such as the Zhongheng Project\* (眾恒項目), the Keqiao Project\* (柯橋項目), the Huaqiaocheng Project\* (華僑城項目) invested by the Group, leading to a decrease in the fair value of IAFV of approximately RMB10.5 million.

## Decrease in fair value of financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise the listed equity investments and debt investments of the Group. During the Year, the fair value of financial assets at fair value through profit or loss decreased by approximately RMB8.2 million, primarily attributable to the combined effect of an increase of approximately RMB5.2 million in the fair value of listed equity investments and a decrease of approximately RMB13.4 million in the fair value of debt investments.

Listed equity investments represent the securities investment portfolio held by Prominence Global for the proprietary securities trading business. At the end of the Reporting Period, the market value of listed equity investment was approximately RMB10.7 million, of which the fair value increased by approximately RMB5.2 million. Debt investments represent the debt held by a subsidiary of the Company, Shanghai Weiyi Investment Partnership (Limited Partnership)\* (上海威弋投資合夥企業(有限合夥)). During the Year, the fair value of debt investments upon assessment decreased by approximately RMB13.4 million as compared with last year, primarily due to a decrease in the fair value of the debt corresponding to the debtor, Yangzhou Guazhou Ancient Town International Travelling Campsite Company Limited\* (揚州瓜洲古鎮國際旅行露營地有限公司). The Group comprehensively considered factors including financial and operating conditions of the debtors, the prospects for debt recovery and market conditions, and established a valuation model based on historical experience and market assumptions. Given the debtor’s shortfall in debt repayment capacity and the corresponding downgrade of its credit rating, the fair value of the debt corresponding to the debtor, Yangzhou Guazhou Ancient Town International Travelling Campsite Company Limited, decreased by approximately RMB13.1 million at the end of the Reporting Period.

## Decrease in fair value of investment properties

The investment properties of the Group represent two shops located in Chengdu, Sichuan. An independent professionally qualified valuer, Sichuan Ruilai Real Estate Land Asset Appraisal Co., Ltd.\* (四川瑞來房地產土地資產評估有限公司), made a valuation for the values of the two shops as at 31 December 2025. Factors including adjustments in the Chengdu commercial property market, pressure on transaction prices for retail properties and a slowdown in market demand, led to a decrease of the fair value of the Group’s investment properties of approximately RMB2.9 million at the end of the Year as compared with last year.

# Management Discussion and Analysis

## Other expenses

The Group's other expenses for the Year amounted to approximately RMB16.1 million, representing an increase of approximately RMB10.7 million as compared with the corresponding period last year. The increase was primarily attributable to the investment loss recognised on the disposal of the partnership interest in Ningbo Ruichong Partnership. Ningbo Ruichong Partnership completed its distribution for the Year and the Group withdrew from the partnership and received two debts out of the distribution. The unrealised fair value loss of approximately RMB15.7 million on such two debts recognised in prior years was credited to other expense accounts upon re-classification during the Year; at the same time, upon assessment of such two debts adopting the discounted cash flow method during the Year, their fair values increased by approximately RMB1.9 million. The combination of the factors aforementioned resulted in the Group's recognition of an investment loss of approximately RMB13.8 million arising from the disposal of its partnership interest in Ningbo Ruichong Partnership.

## Loss for the Year

Our loss for the Year was approximately RMB27.7 million, representing an increase of approximately RMB14.5 million or approximately 110.1% from approximately RMB13.2 million for the year ended 31 December 2024, which was mainly due to the impairment losses on trade receivables and the increase in other expenses.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group regularly reviews the liquidity status and actively manages liquidity and financial resources in light of changes in the economic environment and business development needs. As at 31 December 2025, the cash and cash equivalents as well as restricted cash of the Group in aggregate were approximately RMB9.0 million (31 December 2024: approximately RMB11.2 million), which are mainly held in RMB and HKD.

The Group did not use any financial instruments for hedging purpose during the Year.

## GEARING RATIO

As at 31 December 2025, the Group's interest-bearing liabilities amounted to approximately RMB19.4 million (31 December 2024: approximately RMB19.0 million), all of which are amounts due to related parties, among which, (i) amount due to Mr. Zhu Ping as executive Director, consisted of RMB10.0 million bearing interest at fixed interest rate of 3.0% per annum and RMB0.4 million interest-free, both of which will be matured in 2026; (ii) amount due to Mr. Duan Kejian as executive Director, amounted to approximately RMB9.0 million bearing interest at fixed interest rate of 3.0% per annum and will be matured in 2026. The interest-bearing liabilities were denominated in RMB. As at 31 December 2025, the Group's gearing ratio (calculated as total interest-bearing liabilities divided by total equity) was approximately 8.3% (31 December 2024: approximately 7.3%).

## TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position during the Year. The Group strives to minimise exposure to credit risk by strictly controlling outstanding receivables and setting up a credit control team. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

# Management Discussion and Analysis

## PLEDGE OF ASSETS

As at 31 December 2025, investment properties of the Group were secured to banks with the carrying values amounting to approximately RMB39.4 million, serving as security for borrowings received from two executive Directors by the Group in the amount of RMB19.0 million. During 2024, Chengdu Ruiruibing Commercial Management Co., Ltd.\* (成都芮瑞炳商業管理有限責任公司) (“**Chengdu Ruiruibing**”) and Chengdu Ruihanchao Commercial Management Co., Ltd.\* (成都芮翰超商業管理有限責任公司) (“**Chengdu Ruihanchao**”), both of which are wholly-owned subsidiaries of the Company had financing replacement needs to lower its finance costs. The executive Directors, Mr. Zhu Ping and Mr. Duan Kejian, in their respective capacity as legal representatives of the said companies, obtained legal representative operating loans from banks amounting to RMB10.0 million and RMB9.0 million, respectively. The two executive Directors, in turn, granted the loans to Chengdu Ruiruibing and Chengdu Ruihanchao back-to-back and on the terms same as the bank loans aforementioned.

Save as disclosed above, the Group did not have any charges on its other assets as at 31 December 2025.

## FOREIGN EXCHANGE RISK

The Group principally operates in the PRC with most of its businesses being denominated in RMB. The Group only bears the risk of fluctuations in the exchange rate of RMB against HKD. The Group currently has no hedging of foreign exchange risk and the Directors believe that the Group’s foreign exchange risk is manageable and will closely monitor the relevant risks from time to time.

## CAPITAL STRUCTURE

There has been no change in the capital structure of the Company since its listing on 13 November 2018.

## FINAL DIVIDEND

In order to reserve resources for the business development of the Group, the Board did not recommend the declaration of a final dividend for the Year (2024: Nil).

## COMMITMENTS

The Group did not have any significant commitments as at 31 December 2025 (31 December 2024: Nil).

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

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

## CAPITAL EXPENDITURES

As at 31 December 2025, the Group did not have any significant capital expenditures.

## CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group as at 31 December 2025 are set out in note 29 to the financial statements.

## EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed a total of 77 employees (31 December 2024: 62 employees). The Group has adopted an employee compensation policy which takes into account factors such as external market competitiveness and internal fairness, and provides diversified training and individual development plans for its employees. The Group has a clear promotion policy that gives eligible employees career progression opportunities.

# Management Discussion and Analysis

## IAFV

As at 31 December 2025, IAFV of the Group was approximately RMB61.7 million, representing a decrease of approximately RMB24.4 million from approximately RMB86.1 million as at 31 December 2024, which was mainly attributable to the exit from partnership of Ningbo Ruichong Partnership by the Group during the Year, and acquisition of two debts by way of non-monetary distributions for the Year. The two debts were accounted for as investments in financial assets at fair value through profit or loss for measurement as at the end of the Reporting Period.

Details of IAFV are as follows:

Name of fund	Type of investment project	Investment cost (RMB'000)	Percentage of fund equity	Dividends received for the Year (RMB'000)	Fair values as at 31 December 2025 (RMB'000)	Percentage of the total asset value of the Group as at 31 December 2025	Gains/(losses) related to changes in fair value during the Year (RMB'000)	Fair value as at 31 December 2024 (RMB'000)	Source of funds
1 FOF IX (Note 1)	Commercial real estate projects	48,000	78.7%	-	32,191	12.1%	(2,548)	34,739	Proceeds from the Share Offer (Note 4)
2 FOF III (Note 2)	Commercial real estate projects, urbanisation and redevelopment projects and distressed assets projects	29,552	9.8%	-	12,187	4.6%	(5,687)	17,874	Internal resources
3 FOF VIII (Note 3)	Urbanisation and redevelopment projects and commercial real estate projects	19,855	14.3%	-	16,780	6.3%	(2,254)	19,034	Proceeds from the Share Offer (Note 4)
4 Tianjin Runshi Shenwei Equity Investment Partnership (Limited Partnership)* (天津潤石申威股權投資合夥企業(有限合夥))	Commercial real estate projects	1,000	0.1%	-	527	0.2%	(107)	634	Internal resources
5 Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區瑞聯投資管理合夥企業(有限合夥))	Distressed assets projects	-	-	-	-	-	(13,791)	13,791	Internal resources
		98,407		-	61,685		(24,387)	86,072	

Notes:

- FOF IX refers to Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership)\* (杭州富陽匯嶸投資管理合夥企業(有限合夥)), a FOF established and jointly managed by the Group in the form of limited partnership in January 2019.
- FOF III refers to Realway Development No. 3 Unit Trust Fund\* (瑞威發展三號契約型私募基金), a FOF established by the Group in the form of trust fund in August 2016.
- FOF VIII refers to Realway Development No. 5 Unit Trust Fund\* (瑞威發展五號契約型私募基金), a FOF established by the Group in the form of trust fund in December 2017.
- Share Offer refers to the share offer conducted by the Company in connection with its listing on the Stock Exchange in 2018.

# Management Discussion and Analysis

The Group adopts a prudent and pragmatic investment strategy to generate investment returns for better use of its capital and funds. Investment decisions are made after taking into consideration, including but not limited to, the feasibility of the investment project, financial performance, prospects, reputation and experience of investees or business partners and the risks associated with the investment. The Group will continue to operate a diversified investment portfolio and closely monitor the investment performance and market trends to adjust its investment strategy in FOFs and Project Funds.

## INVESTMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2025, financial assets at fair value through profit or loss included listed equity investments held by the Group of approximately RMB10.7 million and debt investments of approximately RMB54.6 million, amounting to approximately RMB65.3 million in aggregate, of which two debt investments accounting for over 5% of total assets of the Group as at the end of the Reporting Period, details of the two debentures are as follows:

Company Name	Means of investment	Number of shares held	Investment cost (RMB'000)	Interest received for the Year (RMB'000)	Fair value as at 31 December 2025 (RMB'000)	Percentage of the total asset value of the Group as at 31 December 2025	Gains/(losses) related to changes in fair value during the Year (RMB'000)	Fair value as at 31 December 2024 (RMB'000)
1 Yangzhou Guazhou Ancient Town International Travelling Campsite Company Limited* (揚州瓜洲古鎮國際旅行露營地有限公司) <sup>(Note 1)</sup>	Debt	N/A	52,244	-	30,005	11.2%	(13,135)	43,140
2 Shanghai Ruimu Business Consulting Co., Ltd. (上海芮沐商務諮詢有限公司) <sup>(Note 2)</sup>	Debt	N/A	26,965	-	13,483	5.1%	N/A	N/A

Notes:

1. Yangzhou Guazhou Ancient Town International Travelling Campsite Company Limited is a company established in the PRC with limited liability principally engaged in real estate development. The debt is a property acquired by the Group from the exit from partnership of Shanghai Ruixi Investment Enterprise (Limited Partnership)\* (上海瑞習投資企業(有限合夥)) by way of non-monetary distribution in 2024, which is interest-free and will mature in June 2027.
2. Shanghai Ruimu Business Consulting Co., Ltd. is a company established in the PRC with limited liability principally engaged in investment holding. The debt is a property acquired by the Group from the exit from partnership of Ningbo Ruichong Partnership by way of non-monetary distribution during the Year, which is interest-free and will mature in December 2026.

The Group will proactively urge and facilitate the realisation of the assets owned by the debtors, thus achieving the collection of the debts. Save as disclosed above, as at 31 December 2025, the Group had no other investments in financial assets that accounted for over 5% of total assets individually.

# Management Discussion and Analysis

## SUMMARY OF INVESTMENT PROPERTIES

As at 31 December 2025, the investment properties of the Group are set out as follows:

Address	Leasing Term	Purpose	GFA (square metres)	Permanent ownership
Room 1, 2nd Floor, No. 7 Xinxiwang Road, Wuhou District, Chengdu, Sichuan Province, the PRC	Long-term	Commercial	1,585.48	No
Room 1, 3rd Floor, No. 7 Xinxiwang Road, Wuhou District, Chengdu, Sichuan Province, the PRC	Long-term	Commercial	1,796.19	No

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to explore and pursue investment opportunities in high-growth industries, reducing its reliance on the single real estate segment. In the event that the Group participates in any plans for material investments or capital assets, the Company will make announcement(s) in compliance with the relevant rules of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as and when appropriate.

# Directors' Report

## PRINCIPAL PLACE OF BUSINESS

The Company is a company established and has its registered office in the People's Republic of China. The Company's principal place of business in Hong Kong is 29/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong and the Company's principal place of business in the PRC is Unit 707, 7th Floor, Century Link Tower 1, No. 1198 Century Avenue, Pudong New District, Shanghai, the PRC.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is the management of real estate investment funds and investment advisory, and those of the principal subsidiaries of the Company are set out in note 1 to the financial statements.

## RESULTS

The results of the Group for the Year and the financial information of the Group as at 31 December 2025 are set out in the audited financial statements of this annual report.

## BUSINESS REVIEW

A review of the business of the Group during the Year, a discussion on the Group's future business development and an analysis of the Group's performance during the Reporting Period using financial key performance indicators are contained in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Discussions on the Group's environmental policies and performance, compliance with the relevant laws and regulations that have a significant impact on the Group, and key relationships with its customers and suppliers that have a significant impact on the Group and on which the Group's success depends are set forth in the sections headed "Environmental Policies and Performance", "Compliance with Relevant Laws and Regulations" and "Major Customers and Suppliers" in this report of the Directors. The abovementioned discussions form part of the business review as contained in this report of the Directors.

## FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities of the Group for the last five financial years are set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

## FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year.

## ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Friday, 26 June 2026. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be dispatched by the Company.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 18 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of the shares of the Company (the "Shares") will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM shall be Friday, 26 June 2026. In order to be eligible to attend and vote at the AGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H shareholders) or to the Company's principal place of office in the PRC at Unit 707, 7th Floor, Century Link Tower 1, No. 1198 Century Avenue, Pudong New District, Shanghai, the PRC (for domestic shareholders), no later than 4:30 p.m. on Wednesday, 17 June 2026 (Hong Kong time) for registration.

# Directors' Report

## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group clearly understands the importance of regulatory compliance and the risk of non-compliance. To the best of the Board's knowledge, during the Year, the Group complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has been working on sustainable development and environmental protection. We spare no effort in making the most out of resources in our business. Laws and regulations in terms of environment and health are strictly complied. Meanwhile, the Group holds various activities to promote environmental protection in our business. Our goal is to educate the community on creating a green city for the future.

## MAJOR CUSTOMERS AND SUPPLIERS

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

– the largest customer	15.5%
– the five largest customers combined	59.9%

During the Year, none of the Directors or any of their close associates or the Shareholders (who, to the best knowledge of the Directors, owns more than 5% of the number of the Company's issued Shares) has any beneficial interest in the Group's five largest customers.

The Group is mainly engaged in the provision of services as a private investment fund manager, an investment consultant and advisory consultant. During the Reporting Period, the Group did not have regular or significant suppliers in terms of business nature, among which the percentage of purchases attributable to the five largest suppliers was less than 30%.

## SUBSIDIARIES

The information of the Company's principal subsidiaries are set out in note 1 to the financial statements.

## PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control. Some of the major risks we face include:

- unsound investment decisions could have a material adverse effect on our business, financial condition and results of operations;
- as a real estate investment fund manager, our performance is subject to fluctuations in the real estate market and other factors affecting the asset management industry;
- our operations are dependent on our key management and professional staff. Our business would be materially and adversely affected if we are unable to retain or replace them;
- there is no guarantee that our measures will continue to be effective in ensuring the adequacy of the expertise of our Directors, senior management and professional staff for our fund management business;
- there are inherent uncertainties associated with the fair value measurement of our IAFV and the fair value changes of our IAFV may materially and adversely affect our financial position and results of operations;

# Directors' Report

- we are subject to extensive and evolving regulatory requirements, and any changes in or non-compliance of which, may result in penalties, prohibitions on our future business activities or suspension or revocation of our licences, and may consequently have a material and adverse effect on our business operations and prospects; and
- fluctuations in the value of Renminbi could have an adverse effect on our business, results of operations and financial condition.

However, the above is not an exhaustive list and investors are advised to make their own judgement or consult their own investment advisors before investment.

## SHARE CAPITAL

The share capital structure of the Company as at 31 December 2025 is as follows:

Class of shares	Number of issued shares	Approximate percentage of the total issued share capital
Domestic shares of the Company ("Domestic Shares")	115,000,000	75.0
H shares of the Company ("H Shares")	38,340,000	25.0
<b>Total</b>	<b>153,340,000</b>	<b>100.0</b>

No additional Shares were issued during the Year. Details of the movements in the share capital of the Company are set out in note 26 to the financial statements.

## PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, as at the latest practicable date prior to the issuance of this annual report, the Company had maintained sufficient public float as required under the Listing Rules.

## RESERVES

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out on page 114 in the consolidated statement of changes in equity and note 37 to the financial statements of this annual report.

## DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no reserve available for distribution.

## BANK LOANS AND OTHER BORROWINGS

Save as disclosed in notes 24 and 31 to the financial statements of this annual report, the Group had no outstanding loans or borrowings as at 31 December 2025.

# Directors' Report

## DIRECTORS

The Directors during the Year and up to the date of this annual report were as follows:

### Executive Directors

Mr. ZHU Ping (朱平) (*Chairman and Chief Executive Officer*)  
Mr. DUAN Kejian (段克儉)  
Mr. FAN Lei (樊磊)

### Non-executive Directors

Mr. CHENG Jun (成軍)  
Mr. WANG Xuyang (王旭陽)

### Independent non-executive Directors

Mr. SHANG Jian (尚健)  
Ms. YANG Huifang (楊惠芳)  
Mr. ZHU Hongchao (朱洪超)

## SUPERVISORS

Ms. CAI Luyi (蔡璐懿)  
Mr. LU Xili (陸希立)  
Ms. WANG Juanping (王娟萍)

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of the Directors, supervisors and senior management are disclosed in the section headed "Biographical Details of Directors, Supervisors and Senior Management" on pages 5 to 9 in this annual report.

## CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent throughout the Year.

## DIRECTORS' AND SUPERVISORS' SERVICE CONTRACT

Directors Mr. Zhu, Mr. Duan, Mr. Wang, Mr. Cheng, Mr. Shang and Ms. Yang have signed a service contract with the Company for a term of three years commencing from 14 June 2024, which may be renewable subject to both parties' agreement. Directors Mr. Fan and Mr. Zhu Hongchao have signed a service contract with the Company for a term commencing from 13 June 2025 to the expiry date of their term of the third session of the Board of the Company (i.e. the conclusion of the Annual General Meeting held in 2027), which may also be renewable subject to both parties' agreement. All Supervisors have signed an appointment letter with the Company for a term of three years commencing from 14 June 2024, which may be renewable subject to both parties' agreement. None of the Directors or Supervisors has entered or has proposed to enter into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "CONNECTED TRANSACTION" and "RELATED PARTY TRANSACTIONS" in this annual report, no Director or entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the Year and up to the date of this annual report.

# Directors' Report

## CONTRACT OF SIGNIFICANCE

Save as disclosed in the sections headed "CONNECTED TRANSACTION" and "RELATED PARTY TRANSACTIONS" in this annual report, there was no contract of significance between the Company or any of its subsidiaries, and a controlling Shareholder or any of its subsidiaries during the Year or contract of significance for the provision of services to the Company or its subsidiaries by a controlling Shareholder or any of its subsidiaries during the Year.

## MANAGEMENT CONTRACTS

Save as disclosed in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

## EMOLUMENT POLICY

A Remuneration Committee was set up by the Board for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

## REMUNERATION OF THE DIRECTORS AND SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, Supervisors and five highest paid individuals during the Reporting Period are set out in notes 9 and 10 to the financial statements.

## RETIREMENT AND EMPLOYEE BENEFITS SCHEME

The employees of the Company and its subsidiaries which operate in Mainland China are required to participate in a central pension scheme operating by the local municipal government and are required to contribute a certain proportion of these payroll costs to the central pension scheme. Please refer to note 2.4 to the financial statements for details of the central pension scheme.

## INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the date of this annual report, the interests or short positions of the Directors, Supervisors and the chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange are as follows:

Director	Class of Shares held	Nature of interest	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholdings in the relevant class of Shares <sup>(2)</sup>	Approximate percentage of shareholdings in the total share capital of the Company <sup>(3)</sup>
Mr. ZHU Ping (朱平) <sup>(4)</sup>	Domestic Shares	Interest in a controlled corporation	115,000,000(L)	100.0	75.0

Notes:

- (L) denotes a long position.
- The calculation is based on the percentage of shareholdings in the relevant classes of Shares in issue as at 31 December 2025.
- The calculation is based on the total number of 153,340,000 Shares in issue as at 31 December 2025.
- Shanghai Shengxuan Investments Advisory Company Limited\* (上海盛軒投資諮詢有限公司), a company wholly owned by Mr. Zhu Ping, is the general partner of Shanghai Weimian Investments Partnership (Limited Partnership)\* (上海威冕投資合夥企業(有限合夥)), Shanghai Weihui Investments Partnership (Limited Partnership)\* (上海威匯投資合夥企業(有限合夥)) and Shanghai Weiye Investments Partnership (Limited Partnership)\* (上海威燁投資合夥企業(有限合夥)), and Shanghai Zunwei Industrial Development Co. Limited\* (上海尊威實業發展有限公司) is indirectly wholly owned by Mr. Zhu Ping. Mr. Zhu Ping is therefore deemed to be interested in all the Domestic Shares held by all of the aforesaid entities.

# Directors' Report

## INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, so far as the Directors, Supervisors and the chief executive of the Company are aware of, as indicated on the register of interests and/or short positions required to be maintained pursuant to section 336 of the SFO, the substantial Shareholders and other persons (other than Directors, Supervisors and the chief executive of the Company) had the following interests and/or short positions in the Shares or underlying Shares of the Company:

Name of Shareholder	Class of Shares held	Nature of interest	Number of Shares <sup>(1)</sup>	Approximate percentage of shareholdings in the relevant class of Shares <sup>(2)</sup>	Approximate percentage of shareholdings in the total share capital of the Company <sup>(3)</sup>
Shanghai Shengxuan Investments Advisory Company Limited* (上海盛軒投資諮詢有限公司)	Domestic Shares	Interest in a controlled corporation	115,000,000(L)	100.0	75.0
Shanghai Weimian Investments Partnership (Limited Partnership)* (上海威冕投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	79,012,675(L)	68.7	51.5
Shanghai Weiye Investments Partnership (Limited Partnership)* (上海威燁投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	15,000,000(L)	13.0	9.8
Shanghai Weihui Investments Partnership (Limited Partnership)* (上海威匯投資合夥企業(有限合夥))	Domestic Shares	Beneficial owner	13,875,000(L)	12.1	9.0
Shanghai Zunwei Industrial Development Co. Limited (上海尊威實業發展有限公司)	Domestic Shares	Beneficial owner	7,112,325(L)	6.2	4.6
Sun Jinyong	H Shares	Beneficial owner	4,132,000(L)	10.8	2.7
Gao Yue	H Shares	Beneficial owner	3,985,600(L)	10.4	2.6
Zhu Lei	H Shares	Beneficial owner	3,592,800(L)	9.4	2.3
Wang Youlin	H Shares	Beneficial owner	3,375,200(L)	8.8	2.2
Wang Qiong	H Shares	Beneficial owner	2,392,800(L)	6.2	1.6
Everbright Focused Value Fund	H Shares	Beneficial owner	2,000,000(L)	5.2	1.3
China Everbright Fund Management Limited <sup>(4)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Assets Management Holdings Limited <sup>(5)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Limited <sup>(6)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Honorich Holdings Limited <sup>(7)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Datten Investments Limited <sup>(8)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Holdings Company Limited <sup>(9)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
China Everbright Group Ltd. <sup>(10)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Central Huijin Investment Ltd. <sup>(11)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3
Everbright Absolute Return Investment Holdings Limited <sup>(12)</sup>	H Shares	Interest in a controlled corporation	2,000,000(L)	5.2	1.3

# Directors' Report

## Notes:

1. (L) denotes a long position.
2. The calculation is based on the percentage of shareholdings in the relevant class of Shares in issue as at 31 December 2025.
3. The calculation is based on the total number of 153,340,000 Shares in issue as at 31 December 2025.
4. China Everbright Fund Management Limited is the investment manager and holds all the management shares of Everbright Focused Value Fund. By virtue of the SFO, China Everbright Fund Management Limited is deemed to be interested in all the H Shares which Everbright Focused Value Fund is interested in.
5. China Everbright Fund Management Limited is a limited liability company incorporated in the Cayman Islands and is wholly-owned by China Everbright Assets Management Holdings Limited. By virtue of the SFO, China Everbright Assets Management Holdings Limited is deemed to be interested in all the H Shares which China Everbright Fund Management Limited is interested in.
6. China Everbright Assets Management Holdings Limited is a limited liability company incorporated in the Cayman Islands and is wholly-owned by China Everbright Limited. By virtue of the SFO, China Everbright Limited is deemed to be interested in all the H Shares which China Everbright Assets Management Holdings Limited is interested in.
7. China Everbright Limited is a limited liability company incorporated in Hong Kong and is owned as to 49.39% by Honorich Holdings Limited. By virtue of the SFO, Honorich Holdings Limited is deemed to be interested in all the H Shares which China Everbright Limited is interested in.
8. Honorich Holdings Limited is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by Datten Investments Limited. By virtue of the SFO, Datten Investments Limited is deemed to be interested in all the H Shares which Honorich Holdings Limited is interested in.
9. Datten Investments Limited is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by China Everbright Holdings Company Limited. By virtue of the SFO, China Everbright Holdings Company Limited is deemed to be interested in all the H Shares which Datten Investments Limited is interested in.
10. China Everbright Holdings Company Limited is a limited liability company incorporated in Hong Kong and is wholly-owned by China Everbright Group Ltd. By virtue of the SFO, China Everbright Group Ltd. is deemed to be interested in all the H Shares which China Everbright Holdings Company Limited is interested in.
11. China Everbright Group Ltd. is a limited company established in the PRC and is owned as to 55.67% by Central Huijin Investment Ltd. By virtue of the SFO, Central Huijin Investment Ltd. is deemed to be interested in all the H Shares which China Everbright Group Ltd. is interested in.
12. Everbright Focused Value Fund is under the control of Everbright Absolute Return Investment Holdings Limited. By virtue of the SFO, Everbright Absolute Return Investment Holdings Limited is deemed to be interested in all the H Shares which Everbright Focused Value Fund is interested in.

# Directors' Report

## DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S RIGHTS IN THE SUBSCRIPTION OF SHARES AND DEBENTURES

During the Year, no right to subscribe the Shares in or debentures of the Company or any of its associated corporations was granted by the Company to any Director, Supervisor or chief executive of the Company or their respective spouses or children aged under 18, and no such rights to subscribe the above Shares or debentures were exercised by them.

## EQUITY-LINKED AGREEMENTS

The Company has no equity linked agreements that were entered into or subsisted during the Year.

## SHARE SCHEME

During the Year, the Company has not implemented any share schemes under Chapter 17 of the Listing Rules.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, there had been no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities (including sale of treasury shares, if any) of the Company.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company (the "**Articles of Association**") or the law of PRC applicable to the Company that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

## TAX RELIEF

The Company is not aware of any relief from taxation available to its shareholders by reason of their holding of the Shares.

## CONNECTED TRANSACTION

During the Year, the Group had the following continuing connected transaction that was not exempt from the annual reporting requirement under Chapter 14A of the Listing Rules.

### Consulting management services framework agreement

On 31 October 2025, Shenzhen Yuanhui Qichuang Technology Co., Ltd.\* (深圳市源匯啟創科技有限公司) ("**Yuanhui Qichuang**"), an indirect subsidiary of the Company, entered into a consulting management services framework agreement ("**Consulting Management Services Framework Agreement**") with Shenzhen Xinhe Credit Management Co., Ltd.\* (深圳市鑫和信用管理有限公司) ("**Xinhe Credit**"), pursuant to which Yuanhui Qichuang shall provide consulting management services in respect of personal loans distressed assets of Xinhe Credit for the period ended 31 December 2026 under the terms and conditions as set out in the Consulting Management Services Framework Agreement. Pursuant to the Consulting Management Services Framework Agreement, the service fee is determined through a combination of a base service fee and a share of the actual recovery amount of the debts. In no event shall the pricing be more favourable than that offered to any independent third-party customers of the Group for similar transactions.

# Directors' Report

The Company's wholly-owned subsidiary, Realway Capital Assets Management (Beijing) Co., Ltd.\* (北京瑞威資產管理有限公司), holds 51% equity interest in Yuanhui Qichuang, while Xinhe Credit holds 49% equity interest in Yuanhui Qichuang. Therefore, Xinhe Credit is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules, and the transactions contemplated between Yuanhui Qichuang and Xinhe Credit under the Consulting Management Services Framework Agreement constitute continuing connected transaction under Chapter 14A of the Listing Rules.

The Group commenced its business in acquisition and disposal of personal loans distressed assets in 2024, the entering into of the Consulting Management Services Framework Agreement aimed to enhance debts disposal efficiency and recovery value while enhancing the recognition of the Group in the field of personal loans distressed assets management.

The annual caps under the Consulting Management Services Framework Agreement for the years ended/ending 31 December 2025 and 2026 are RMB5.0 million and RMB15.0 million respectively. For the year ended 31 December 2025, total transaction amount derived from the Consulting Management Services Framework Agreement was RMB4.7 million.

Further details of the continuing connected transaction mentioned above are set out in the announcements of the Company dated 31 October 2025 and 11 December 2025.

The independent non-executive Directors have reviewed the continuing connected transaction mentioned above and have confirmed that the continuing connected transaction have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the agreement in respect of the transaction on terms that are fair and reasonable and are in the interests of the shareholders of the Company as a whole. The independent non-executive Directors also considered that the relevant annual caps in respect of the continuing connected transaction set out above are and will be fair and reasonable and in the interests of the Company and the shareholders as a whole.

The auditor of the Company (the “**Auditor**”) was engaged to report on the continuing connected transaction of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transaction set out above in accordance with Rule 14A.56 of the Listing Rules.

## RELATED PARTY TRANSACTIONS

Details of related party transactions entered into by the Group during the year ended 31 December 2025 are set out in note 31 to the consolidated financial statements. Save as disclosed in this annual report and under the heading of “CONNECTED TRANSACTION” above, the Company had not entered into any transactions with any related parties, which is required to be disclosed in this annual report under Chapter 14A of the Listing Rules.

## CHARITABLE DONATION

During the Year, the Group did not make any significant charitable donation.

## DEED OF NON-COMPETITION

To avoid any future competition, Mr. Zhu, Shanghai Shengxuan Investments Advisory Company Limited\* (上海盛軒投資諮詢有限公司) and Shanghai Weimian Investments Partnership (Limited Partnership)\* (上海威冕投資合夥企業(有限合夥)) as controlling shareholders of the Company (the “**Controlling Shareholders**”) have entered into the deed of non-competition (the “**Deed of Non-Competition**”) in favour of the Company to the effect that he/it shall not, and shall procure entities or companies controlled by him/it (other than a member of the Group) not to at any time during the restricted period, directly or indirectly, among other things, involve in any business similar to or which competes (either directly or indirectly) or is likely to compete with any business which is the same as, similar to or in competition with the current business of the Group.

# Directors' Report

## NON-COMPETITION

The Controlling Shareholders have irrevocably undertaken and covenanted with the Company that he/it shall not, and shall procure entities or companies controlled by him/it (other than a member of the Group) not to at any time during the restricted period, directly or indirectly, either on his/its own account or in conjunction with or on behalf of any person, firm or company (in each case whether as a shareholder, partner, agent, employee or otherwise):

- (i) carry on, engage, participate, concerned or interested in or in any way assist in or provide support (whether financial, technical or otherwise) to any business similar to or which competes (either directly or indirectly) or is likely to compete with any business which is the same as, similar to or in competition with the current business of the Group, namely the engagement of fund management business within the PRC and/or Hong Kong (the "**Restricted Business**");
- (ii) canvass, solicit, interfere with or endeavour to entice away from the Group any person, firm, company or organisation which to his/its knowledge has from time to time or has at any time within the immediate past two years before the date of such solicitation, interference or enticement been a customer, a supplier or a business partner or employee of the Group for the purpose of conducting any Restricted Business;
- (iii) procure orders from or solicit business from any person, firm, company or organisation which to his/its knowledge has dealt with any member of the Group or is in the process of negotiating with any member of the Group in relation to any Restricted Business;
- (iv) do or say anything which may be harmful to the reputation of any member of the Group or which may lead any person to reduce their level of business with any member of the Group or seek to improve their terms of trade with any member of the Group;
- (v) solicit or entice or endeavour to solicit or entice for employment by him/it or entities or companies controlled by him/it (other than the Group) or at any time employ or procure the employment of any person who has, at any time within the immediate past two years before the date of such solicitation or employment, been or is a director, manager, employee of or consultant to the Group who is or may be likely to be in possession of any confidential information or trade secrets relating to the Restricted Business carried on by the Group;
- (vi) engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business in competition with or likely to be in competition with the existing business activity of the Group or be in competition with any member of the Group in any business activities which any member of the Group may undertake in the future save for the holding of not more than 10% shareholding interests (individually or any of the Controlling Shareholders with their associates collectively) in any listed company in Hong Kong; and
- (vii) make use of any information pertaining to the business of the Group which may have come to his/its knowledge in his/its capacity as a Shareholder of the Company or director of any member of the Group for the purpose of competing with the business of the Group.

The foregoing restrictions are subject to the fact that the Company may waive the new business opportunities pursuant to the terms and conditions under the Deed of Non-Competition.

# Directors' Report

The Company's independent non-executive Directors have reviewed the compliance with the Deed of Non-Competition by the Controlling Shareholders and were satisfied that the terms of the Deed of Non-Competition had been duly complied with during the Year and up to the date of this report. The measures which the Company has adopted to ensure the compliance with the Deed of Non-competition include:

- (1) The Company has enquired with each of the Controlling Shareholders on whether each of the Controlling Shareholders or any of his/her close associates has engaged in any business which may directly or indirectly compete or may compete with the principal business of the Company, other than being a Director or Shareholder of the Company;
- (2) The Company and the Board have requested the Controlling Shareholders to confirm to the Company regarding the compliance of the terms of the Deed of Non-Competition and the enforcement of undertakings under the Deed of Non-Competition. The Controlling Shareholders confirmed to the Company that they have complied with the terms of the Deed of Non-competition during the Year and up to the date of this report; and
- (3) The Company and the Board are not aware of any breach of the Deed of Non-Competition by the Controlling Shareholders during the Year and up to the date of this report.

## DIRECTORS' COMPETING INTERESTS

Save as disclosed in this annual report, none of the Controlling Shareholders, Directors and their respective close associates has any interests in any business which directly or indirectly competes or is likely to compete with the principal business and other businesses of the Group, which would require disclosure under Rule 8.10 of the Listing Rules.

## SIGNIFICANT LEGAL PROCEEDINGS

- (1) In November 2024, the Company, Shanghai Ruixiang Investment Management Co., Ltd\* (上海瑞襄投資管理有限公司) ("**Shanghai Ruixiang**"), a subsidiary of the Company, and Mr. Zhu Ping (a Director, the chairman of the Board, the chief executive officer of the Company and a controlling shareholder of the Company) were served with a litigation claim. Shengsi Pengbo Real Estate Development Co., Ltd\* (嵊泗彭博房地產開發有限公司) ("**Shengsi Pengbo**") and Zhejiang Anlan Hotel Management Co., Ltd\* (浙江安瀾酒店管理有限責任公司) ("**Zhejiang Anlan**") (collectively, the "**Plaintiffs**") were in bankruptcy stage and demand Shanghai Ruixiang to fulfil the equity holder's obligation to pay up capital of RMB200 million in aggregate to the Plaintiffs. The bankruptcy administrator alleges that the capital had been previously paid up but subsequently withdrawn by Shanghai Ruixiang and not used for the operations of Plaintiffs. The Company and Mr. Zhu Ping should also be held jointly and severally liable for this obligation of Shanghai Ruixiang.

The Group's legal counsel advises that Realway Capital Yingxin Selected Contractual Private Equity Fund ("**Yingxin Fund**") invested RMB201.3 million in Shengsi Pengbo in September 2020 and Shanghai Ruixiang acted as the fund manager. Neither Shanghai Ruixiang nor Yingxin Fund are controlling equity holder of the Plaintiffs and should not be legally subject to the allegation for withdrawal of capital contribution as the investment had been fully completed and refunded from Shengsi Pengbo in February 2022. The Directors and the Group's legal counsel are of the view that the investment was completed and refunded to Yingxin Fund at the time when the Plaintiffs were still in normal operation and the withdrawal had not caused deterioration to the financial position of the Plaintiffs. During the investment period, Shanghai Ruixiang, as the fund manager, only had the right of oversight of the fund investment but was unable to direct or control the use of the fund by the Plaintiffs.

The case was heard by the People's Court of Shengsi County, Zhejiang Province on 29 April 2025. Shanghai Ruixiang received the first-instance civil judgement (the "**First-instance Judgement**") dated 7 April 2026 issued by the People's Court of Shengsi County, Zhejiang Province in respect of the litigation (Case No.: (2024) Zhe 0922 Minchu No. 343), with the judgement of the court as follows: the claims of the Plaintiffs, Shengsi Pengbo and Zhejiang Anlan, be dismissed.

Pursuant to the relevant laws and regulations, Shengsi Pengbo and Zhejiang Anlan may file an appeal against the First-instance Judgement within 15 days from the date of receipt thereof. If no appeal is lodged, the First-instance Judgement shall become effective 15 days after the date of service.

# Directors' Report

- (2) An investor of two funds managed by Shanghai Ruixiang has initiated arbitration proceedings against Shanghai Ruixiang, claiming compensation of approximately RMB150 million for investment losses. The investor alleged that Shanghai Ruixiang, as fund manager, has breached its fiduciary and management duties during the investment period.

The investment losses of the fund primarily resulted from the decrease in value of the underlying real estate assets of the funds due to overall market downturn. The Directors and the Group's external legal counsel are of the view that the investor's allegations lack factual and legal basis. Shanghai Ruixiang has performed its fiduciary and management duties as fund manager in accordance with the fund management contracts and relevant laws and regulations. As of the date of this report, the case has not yet been heard.

The Directors will closely monitor the litigation against the Group.

## PERMITTED INDEMNITY PROVISION

During the Year, the Company maintained liability insurance for Directors, Supervisors and senior management (being the liability insurance for Directors, Supervisors and senior management) to provide the appropriate coverage for the Directors, Supervisors and senior management of the Company.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance practices. Details of corporate governance practice adopted by the Company are set out in the section of "Corporate Governance Report" of this annual report.

## POST BALANCE SHEET EVENTS

There were no material post balance sheet events during the Year.

## AUDIT COMMITTEE

The Audit Committee had, together with the management and external auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the Year.

## AUDITORS

Ernst & Young was appointed by the Directors as the auditor of the Company. Ernst & Young will retire, and being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming AGM. The consolidated financial statements for the Year have been audited by Ernst & Young.

The Company did not change auditors over the past three years.

By order of the Board  
**Shanghai Realway Capital Assets Management Co., Ltd.**  
**Mr. Zhu Ping**  
*Chairman*  
Shanghai, PRC, 30 March 2026

\* For identification purpose only

# Supervisors' Report

## 1. COMPOSITION OF THE SUPERVISORY COMMITTEE

As of 31 December 2025, the supervisory committee of the Company (the “**Supervisory Committee**”) consisted of three members (the “**Supervisors**”) comprising one employee representative Supervisor and two external shareholder representative Supervisors. The terms of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of his/her term in accordance with the requirements of Articles of Association.

The composition of the Supervisory Committee is as follows:

Name	Position	Date of Appointment	Responsibilities
Ms. CAI Luyi (蔡璐懿)	Supervisor/Manager of archives department	July 2017	Supervising and providing independent judgment to our Board
Mr. LU Xili (陸希立)	Supervisor	January 2016	Supervising and providing independent judgment to our Board
Ms. WANG Juanping (王娟萍)	Supervisor	January 2016	Supervising and providing independent judgment to our Board

## 2. MAJOR WORKS OF THE SUPERVISORY COMMITTEE IN 2025

In 2025, being accountable to all Shareholders, the members of the Supervisory Committee strengthened the coordination and cooperation between the Board and the senior management and seriously performed the duties of supervision, for purposes of better playing a supervisory role of the Supervisory Committee, promoting the standardised operation and healthy development of the Company, and safeguarding the rights and interests of the Company and the Shareholders.

### (i) Convening meetings of the Supervisory Committee according to law, and earnestly performing supervisory duties

In 2025, the Supervisory Committee held a total of 2 committee meetings.

The Supervisors carefully reviewed the meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee. The Supervisors attended all meetings of the Supervisory Committee in person and earnestly performed supervisory duties. The details of Supervisors' attendance at the meetings of the Supervisory Committee held are as follows:

Supervisors	Actual Attendance/ Expected Attendance
Ms. CAI Luyi (Chairman)	2/2
Mr. LU Xili	2/2
Ms. WANG Juanping	2/2

### (ii) Supervising the Directors and Senior Management of the Company in their performance of duties

In 2025, the members of the Supervisory Committee reviewed the resolutions of the Board by attending Board meetings, examined the daily operation and management of the Company and supervised the Directors and senior management of the Company in their performance of duties.

### (iii) Monitoring Company's Operation

In 2025, the members of the Supervisory Committee participated in discussions of major operating decisions, reviewed proposals submitted to the Board for consideration and examined and monitored the operation of the Company through attending Board meetings and general meetings of the Shareholders held by the Company. The Supervisory Committee is of the opinion that the business activities of the Company complied with relevant laws and regulations and the Articles

# Supervisors' Report

of Association. Meanwhile, the Directors and senior management of the Company have diligently performed their duties and earnestly implemented the resolutions of the general meetings of the Shareholders to safeguard the interests of the Shareholders and the benefit of the Company. In the course of examining the operation of the Company and supervising the performance of duties of the Directors and senior management, the Supervisory Committee has not found any of their behaviors that contravened any applicable laws and regulations or the Articles of Association or any issues that has caused damage to the interests of the Shareholders and the Company.

## 3. INDEPENDENT OPINIONS ON RELEVANT MATTERS

### (i) Lawful operation

During the Reporting Period, the Company operated and managed its businesses in accordance with the laws and regulations. The Company's operational decision-making processes were legitimate. The Directors and other senior management were loyal, diligent and dedicated in the business operations and management processes, and they were not found to have breached any laws, regulations or the Articles of Association or harmed the interests of the Shareholders.

### (ii) Financial position

The Supervisory Committee reviewed the financial system and financial position of the Company in a comprehensive and thorough manner and was of the opinion that the financial report for the Year presented a true and objective view of the financial position and operating results of the Company. The audit report with an unqualified audit opinion issued and the assessment on the relevant matters conducted by the accounting firm were objective and fair.

### (iii) Internal control system

Upon deliberation of the self-assessment report of internal control of the Company, the Supervisory Committee was of the view that a relatively comprehensive internal control system had been developed and could be effectively implemented, and the self-assessment report of the Company reflected the establishment and implementation of the internal control system of the Company were in truthful and objective manner.

## 4. MAJOR INITIATIVES FOR 2026

The Supervisory Committee will strictly comply with the laws and regulations, Articles of Association and the terms of reference of the Supervisory Committee and other requirements of the relevant provisions to conduct discussion of daily business of the Supervisory Committee and diligently and responsibly perform their duties, including:

- (i) to convene meetings of the Supervisory Committee according to the actual situation of the Company and review and consider various resolutions;
- (ii) to review the Company's financial position by regularly understanding and reviewing financial reports, and monitor the financial operation of the Company in order to prevent operational risks; and
- (iii) diligently, responsibly and actively participate in the Board meetings, general meetings and other important meetings as well as the decision-making process in relation to material matters to better safeguard the interests of the Company and all Shareholders.

On behalf of the Supervisory Committee

**CAI Luyi**

*Chairman*

Shanghai, PRC, 30 March 2026

# Corporate Governance Report

## CORPORATE GOVERNANCE

It is always one of the Group's top priorities to adhere to and comply with the generally accepted standards laid down by the principles and practices of corporate governance. The Board believes that good corporate governance is one of the factors leading to the Company's success and balancing the interests among our Shareholders, clients and employees and is committed to its ongoing efforts to enhance the efficiency and effectiveness of such principles and practices. During the Year, the Company had adopted and complied with the principles and code provisions (the "Code Provision(s)") set out in the Corporate Governance Code ("CG Code") contained in Part 2 of Appendix C1 to the Listing Rules, save and except for the deviation from Code Provision C.2.1 of the CG Code.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, the roles of chairman (the "Chairman") and chief executive officer (the "Chief Executive Officer") of the Company were both performed by Mr. Zhu Ping. Details of such deviation is set out in the section headed "Chairman and Chief Executive Officer" below in this corporate governance report.

## Corporate Culture

A good corporate culture is essential to the realization of the Group's vision and strategy. The Board has shaped a corporate culture with the following core principles to guide the behavior of employees and to ensure that the Group's vision, values and strategies are consistent with the corporate culture.

- Responsibility: The Group respects the spirit of contract and humanity, and consistently places "Concern and satisfaction for the needs of investors, partners, employees and shareholders" as the Group's responsibility;
- Sharing: According to the Group's business philosophy, all participants should enjoy the opportunity to grow and benefit, which is the Group's sharing culture and the fundamental source of corporate cohesion;
- Innovation: As the external environment is always changing, the Group's culture of innovation is to meet challenges with respect and humility, and to seek innovation and change, which is also the driving force to the stable growth of the corporation.

The above corporate culture reflects the core values of the Group and is an important support for the implementation of the strategic objectives. The Group will continue to strengthen its corporate culture in the course of strategic planning, in order to realize the Group's vision to become an outstanding asset management company and provide assistance to the economic transformation of China.

## BOARD OF DIRECTORS

### Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

# Corporate Governance Report

## Composition

The Board has established three Board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee (each a **Board Committee** and collectively the **Board Committees**), to oversee different areas of the Company's affairs.

During the year ended 31 December 2025 and up to the date of this annual report, there was no change in the structure of the Board, which currently comprises eight Directors and its composition is set out as follows:

## Executive Directors

Mr. ZHU Ping (朱平) (*Chairman and Chief Executive Officer*)

Mr. DUAN Kejian (段克儉)

Mr. FAN Lei (樊磊)

## Non-executive Directors

Mr. CHENG Jun (成軍)

Mr. WANG Xuyang (王旭陽)

## Independent non-executive Directors

Mr. SHANG Jian (尚健)

Ms. YANG Huifang (楊惠芳)

Mr. ZHU Hongchao (朱洪超)

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" on pages 5 to 8 in this annual report. The latest list of Directors identifying their roles and functions is maintained on the websites of the Stock Exchange and the Company.

The functions and duties of the Board include but are not limited to: convening Shareholders' general meetings and reporting the Board's work at the Shareholders' general meetings; implementing the resolutions passed at the Shareholders' general meetings; determining our business plans and investment plans; preparing annual budget proposals and final accounts proposals; preparing plans for profit distribution and recovery of losses; preparing plans for the increase or decrease in registered capital; and exercising other power, functions and duties as conferred by the Articles of Association. Each of our Directors has entered into a service contract or appointment letter with the Company.

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Company, and the training and continuous professional development of Directors and senior management. The Board also reviews the disclosures in the Corporate Governance Report to ensure compliance.

# Corporate Governance Report

## BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “**Diversity Policy**”) which sets out the approach to achieve diversity of the Board. The policy has been developed to ensure that the Board has access to independent views and opinions. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage.

### Objective

This Policy aims to set out the approach to achieving diversity for the Board.

### Policy statement

The Company recognises the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company.

The Company maintains that the appointment of the Board should be based on merit of the candidate which complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board from time to time and make suggestions on any proposed appointments to the Board taking into account the strategies of the Company and the recommendation of the members of the Nomination Committee, and is responsible for the appointment of new Directors to ensure that it has a balanced composition of skills, experience and expertise appropriate to the requirements of the businesses of the Company, with due regard to the benefits of diversity on the Board. The Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular, the Chairman of the Board.

### Measurable Objectives

The Nomination Committee will review annually the structure, size and composition of the Board, review the Diversity Policy, and where appropriate, make recommendations on changes to the Board to ensure the effectiveness of the policy. In relation to reviewing and assessing the Board composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

During the Year, the Nomination Committee has reviewed the implementation and effectiveness of the Diversity Policy and discussed the above measurable objectives. The Board and the Nomination Committee are of the opinion that all measurable objectives have been met and that the Board is sufficiently diverse.

### Disclosure and publication

A summary of the Diversity Policy and any measurable objectives which the Board has set for implementing the Diversity Policy, and progress on achieving those objectives are disclosed in this corporate governance report.

The Board attaches great importance to the gender mix: women now hold 12.5% of the total directorships at Company level. The Company has achieved gender diversity at the Board level and intends to maintain at least the current level of female representation. The Company will also consider gender diversity during recruitment of senior management, and ensure that sufficient resources are available to provide appropriate training and career development, in order to build a pipeline of potential successors to the Board and maintain gender diversity.

# Corporate Governance Report

The Board includes Directors with diverse backgrounds: executive Directors have extensive management experience and are in charge of the principal businesses of the Company; non-executive Directors are highly experienced in corporate management, hence they are able to provide effective recommendations on the Company's operation and development; independent non-executive Directors have experience in law, investment, finance, corporate governance and international market.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties. Save as disclosed in the Directors' biographies set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the Year, the positions of the Chairman and the Chief Executive Officer of the Company were both held by Mr. Zhu.

As Mr. Zhu now serves as both the Chairman and the Chief Executive Officer, such practice deviates from code provision C.2.1 of the CG Code. The Board is of the view that it is appropriate and in the best interests of the Company for Mr. Zhu to hold both positions as it would contribute to the continuity of the policies and the stability of the operations of the Group having taken into account Mr. Zhu's familiarity with every aspect of the Group's operations as the Group's principal founder and his heavy involvements in the day-to-day operations of the Group. The Board therefore considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance and is of the view that this management structure is effective for the Group's operations. Having taken into account the Group's established risk management and internal control measures, the Directors believe that the Board (which holds at least four regular meetings each year to discuss the Group's business and operation issues) is appropriately structured with balance of power to provide sufficient check and balance to protect the interests of the Group and its Shareholders.

## Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company and is subject to termination by either party by giving not less than three months' written notice and retirement by rotation and re-election at least once every three years in accordance with the Articles of Association.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company, and is subject to termination by either party by giving not less than one month's written notice and retirement by rotation and re-election at least once every three years in accordance with the Articles of Association.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and make suggestions on any proposed appointments to the Board taking into account the strategies of the Company and the Board, taking into account the recommendation of the Nomination Committee, is responsible for the appointment of new Directors from time to time to ensure that it has a balanced composition of skills, experience and expertise appropriate to the requirements of the businesses of the Company, with due regard to the benefits of diversity on the Board. The Board as a whole is also responsible for reviewing the succession plan for the Directors, in particular, the Chairman of the Board.

# Corporate Governance Report

## INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director. During the Year, all Directors participated in appropriate continuous professional development and provided the Company with their records of training they received. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views and the themed trainings provided by lawyer.

According to the records provided by the Directors, a summary of training received by the Directors during the Year is as follows:

Name of Director	Type of continuous professional development programmes
<i>Executive Directors</i>	
Mr. ZHU Ping	A, B
Mr. DUAN Kejian	A, B
Mr. FAN Lei	A, B
<i>Non-executive Directors</i>	
Mr. CHENG Jun	A, B
Mr. WANG Xuyang	A, B
<i>Independent non-executive Directors</i>	
Mr. SHANG Jian	A, B
Ms. YANG Huifang	A, B
Mr. ZHU Hongchao	A, B

A – Attending seminars/conferences/forums/briefings/programmes relevant to the business or director's duties

B – Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

## BOARD MEETINGS

The Board meets regularly and at least four times each year at approximately quarterly intervals to discuss the Group's overall strategies, operations and financial performance. Directors may participate in meetings either in person or through electronic means of communication. All Directors are given not less than 14 days' notice for regular Board meetings. For other Board and Board Committees meetings, reasonable notice will be given.

The minutes of the Board meetings and Board Committees meetings are drafted and kept by the company secretary of the Company. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The company secretary of the Company will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after holding of the meetings.

# Corporate Governance Report

During the Year, the Board held a total of 4 Board meetings. Each Director's attendance record for the Board meetings, Board Committees meetings and general meetings (including Shareholders' class meeting) is set out as follow:

Name of Director	Board	Actual Attendance/Expected Attendance			General Meeting
		Audit Committee	Remuneration Committee	Nomination Committee	
<i>Executive Directors</i>					
Mr. ZHU Ping	4/4	N/A	1/1	1/1	1/1
Mr. DUAN Kejian	4/4	N/A	N/A	N/A	1/1
Mr. FAN Lei	4/4	N/A	N/A	N/A	1/1
<i>Non-executive Directors</i>					
Mr. CHENG Jun	3/4	N/A	N/A	N/A	1/1
Mr. WANG Xuyang	4/4	N/A	N/A	N/A	1/1
<i>Independent non-executive Directors</i>					
Mr. SHANG Jian	4/4	2/2	N/A	1/1	1/1
Ms. YANG Huifang	4/4	2/2	1/1	1/1	1/1
Mr. ZHU Hongchao	4/4	2/2	1/1	N/A	1/1

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Director is to provide independent and objective opinion to the Board, giving adequate control and balances for the Company to protect the overall interests of the Shareholders and the Company.

There are three independent non-executive Directors and they represent over one third of the Board, and one of them, Ms. Yang Huifang has the appropriate professional qualifications as required by Rule 3.10(2) of the Listing Rules.

Each independent non-executive Director has submitted an annual confirmation of his/her independence to the Company pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all of the independent non-executive Directors are independent.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted a code for securities transactions by Directors and a code for securities transactions by Supervisors as its own codes of conduct governing Directors' and Supervisors' dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the standards required by the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry of all Directors and Supervisors has been made. All Directors and Supervisors have confirmed that they have complied with the relevant Securities Dealing Code throughout the Year.

The Company has also established written guidelines (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished price sensitive information of the Group which are on terms no less exacting than the Model Code. No incident of non-compliance with the Employees Written Guidelines by our employees was noted by the Company during the Year.

# Corporate Governance Report

## DELEGATION BY THE BOARD

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management. The senior management provides the Board with monthly updates on the Company's performance, position and prospects, equipping the Board with sufficient resources to discharge its duties.

## CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

- (a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on relevant matters; and
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

## BOARD COMMITTEES

### Audit Committee

As at 31 December 2025, the Audit Committee comprised three members, namely Ms. Yang (chairman), Mr. Shang and Mr. Zhu Hongchao. All of them are independent non-executive Directors.

The principal duties of the Audit Committee include the following:

1. to review the relationship with the Auditor by reference to the work performed by the Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the Auditor;
2. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the Auditor before submission to the Board; and
3. to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

# Corporate Governance Report

For the Year, 2 meetings of the Audit Committee were held to discuss and consider the following matters:

- review the annual report for the year ended 31 December 2024 and the interim report for the six months ended 30 June 2025;
- review the Auditor's report in relation to the audit plan and strategy of the Group; and
- review the financial reporting system, compliance procedure, internal control (including the Company's internal control of corruption risks and the handling and identification of business conflict of major shareholders in listed companies), risk management system, effectiveness of the internal audit function and procedures and re-appointment of external auditor. The Board did not deviate from the recommendations of the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

Attendance of each Audit Committee member is set out in the table below:

<b>Directors</b>	<b>Actual Attendance/ Expected Attendance</b>
Ms. YANG Huifang ( <i>Chairman</i> )	2/2
Mr. SHANG Jian	2/2
Mr. ZHU Hongchao	2/2

## Nomination Committee

As at 31 December 2025, the Nomination Committee comprised three members, namely Mr. Zhu (chairman), Mr. Shang and Ms. Yang. Mr. Zhu is an executive Director and the Chairman of the Board while Mr. Shang and Ms. Yang are independent non-executive Directors.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the education background, skills, knowledge and experience and the diversity aspect) of the Board at least annually, assist the Board in the preparation of the Board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and members of senior management and select or make recommendations to the Board on the selection of individuals nominated for directorships or senior management positions;
3. to assess the independence of independent non-executive Directors;
4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer;
5. to establish a list of qualified candidates for senior management positions, to formulate procedures and standards for selection and appointment of senior management personnel, and to conduct preliminary reviews on the qualifications and conditions of relevant candidates, and make suggestions to the Board;
6. to formulate and review the Diversity Policy on the members of the Board as appropriate, and to disclose the results of the review in the Company's annual report;
7. to assist the Company in regularly evaluating the performance of the Board;
8. to review and ensure that Directors devote sufficient time and make contributions commensurate with their roles and responsibilities in the Company; and
9. to review and monitor the training and continuing professional development of Directors and senior management personnel in terms of personal skills and experience.

# Corporate Governance Report

## Nomination Policy

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

For the Year, 1 meeting of the Nomination Committee was held to review the structure, composition, size and diversity of the Board and relevant recommendations were made to the Board, which included the re-election of retiring Directors.

Attendance of each Nomination Committee member is set out in the table below:

<b>Directors</b>	<b>Actual Attendance/ Expected Attendance</b>
Mr. ZHU Ping ( <i>Chairman</i> )	1/1
Mr. SHANG Jian	1/1
Ms. YANG Huifang	1/1

## Remuneration Committee

As at 31 December 2025, the Remuneration Committee comprised three members, namely Mr. Zhu Hongchao (chairman), Ms. Yang and Mr. Zhu. Mr. Zhu Hongchao and Ms. Yang are independent non-executive Directors while Mr. Zhu is an executive Director.

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board;
3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including but not limited to benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable;
7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
8. to review the incentives schemes and service contracts of the Directors;

# Corporate Governance Report

9. to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and
10. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

For the Year, 1 meeting of the Remuneration Committee was held to discuss and consider the following matters:

- the remuneration policy of the Company and its subsidiaries;
- assessing performance of the Directors; and
- the remuneration of Directors and proposed adjustment to the Board.

Attendance of each Remuneration Committee member is set out in the table below:

<b>Directors</b>	<b>Actual Attendance/ Expected Attendance</b>
Mr. ZHU Hongchao ( <i>Chairman</i> )	1/1
Ms. YANG Huifang	1/1
Mr. ZHU Ping	1/1

## Remuneration of Directors and Senior Management

Details of the remuneration by band of the members of the Board and senior management of the Company, whose biographies are set out on pages 5 to 9 of this annual report, for the Year are set out below:

<b>Remuneration band (HKD)</b>	<b>Number of individual</b>
0-1,000,000	10

## DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the Year which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 105 to 110 of this annual report.

# Corporate Governance Report

## AUDITOR'S REMUNERATION

For the Year, the remuneration paid to the external auditors of the Group amounted to approximately RMB1.42 million for audit services, among which RMB1.35 million was paid to Ernst & Young, and the remaining RMB0.07 million was paid to other auditors. No remuneration was paid to the external auditors by the Group for non-audit services during the Year.

## EMPLOYEE DIVERSITY

As at 31 December 2025, the gender ratio of all employees of the Group, including senior management, is as follows:

Gender	31 December 2025	
	Number of Employees	Ratio
Female	30	39.0%
Male	47	61.0%
<b>Total</b>	<b>77</b>	<b>100.0%</b>

The Group's recruitment strategy is to hire the right employees for the right positions, and to achieve diversity among all employees, including senior management, in terms of gender, age, culture, educational background, professional experience, skills and knowledge. As of 31 December 2025, the number of female employees of the Group accounted for approximately 39.0% of the total number of employees and gender diversity of employees has been achieved.

The Group will continue to take measures to promote diversity at all levels, including developing appropriate recruitment measures to consider diverse candidates, set up talent management and training programs to provide equal development opportunities for employees of different genders, and developing a broad and diversified experienced team.

During the Year, the Board is not aware of any factors and circumstances that make it more challenging or irrelevant for all employees, including senior management, to achieve gender diversity.

## SUPERVISORY COMMITTEE

The Supervisory Committee consists of three Supervisors. The Supervisors serve a term of three years each and can be re-elected for successive re-appointments. The functions and duties of the Supervisory Committee include reviewing periodical reports including financial reports prepared by the Board and overseeing the financial and business performance of our Group. They are also entitled to appoint certified public accountants and practicing auditors to re-examine our Company's financial information where necessary. Each of the Supervisors has entered into a service contract with our Group.

## COMPANY SECRETARY

Ms. Lau has been serving as the company secretary of the Company since 13 October 2019, in possession of the qualifications and experience required as a company secretary under Rule 3.28 of the Listing Rules. Ms. Lau is a director of Conyers Consulting Limited, formerly known as Immanuel Consulting Limited, a licensed trust and corporate service provider specializing in integrated business and corporate services. Her biographical details are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" in this annual report.

During the Year, Ms. Lau has received relevant professional training of no less than 15 hours and has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

All Directors have access to the advise and services of the company secretary on corporate governance and board practices and matters. Mr. Zhu, the executive Director, has been designated as the primary contact person at the Company which would work and communicate with the company secretary on the Company's corporate governance and secretarial and administrative matters.

# Corporate Governance Report

## FINANCIAL REPORTING AND INTERNAL CONTROL

### Financial reporting

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner. Management would provide such explanation and information to the Board as will enable the Board to make an informal assessment of the financial and other information put before the Board for approval.

### Internal controls and risk management

The Board is responsible for assessing and determining the nature and level of risks acceptable for achieving the strategic objectives of the Group, and overseeing the management over the design, implementation and monitoring of the risk management and internal control system, in order to guarantee that the Group can establish and maintain a healthy and effective risk management and internal control system. The Management is responsible for the daily operation of the Group's risk management and internal control system and confirm the effectiveness of the system with the Board.

The Group has established a scientific and effective risk management and internal control system. This initiative can reasonably guarantee the legality and compliance of operation and management, the security of assets, and the truthfulness and completeness of financial reports and relevant information, enhance the effectiveness and effects of operation, and facilitate the Group to achieve its strategic plans. The above control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements or losses.

As required by the CG Code set out in the Listing Rules, the Group has constantly strengthened its identification, assessment and management of major risks, and established three lines of defense for risk management, namely, all relevant function departments and all branches serving as the first line of defense, the competent function department for risk management and the risk management committee of the Board (the "**Risk Management Committee**") serving as the second line of defense, and the Audit Committee and the internal audit department thereunder serving as the third line of defense.

The Group has constantly improved its rules for the internal control system and management and standardised its business processes in strict compliance with relevant laws and regulations and by taking into account of the characteristics of the industry and the situation of the Group. The Group also ensures the internal control being implemented throughout the course of all businesses and covering the decision-making, execution and monitoring of every business scope and management section. The Group has put in place an information disclosure management system to make appropriate disclosures in accordance with the Listing Rules and the requirements of the Asset Management Association of China. Furthermore, the Group has also established a progressive vetting and reviewing system to ensure the truthfulness, accuracy and completeness of the financial reports and relevant information disclosures of the Company.

The Group continues to commit itself in enhancing internal control and risk management and has established a well-performing risk management and internal control system. The summary of the Company's major risk management and internal control measures is as follows:

The Board, the management, all functional departments and business departments have formed an internal control and governance structure with reasonable division of work and clear delineation of rights and responsibilities. The Risk Management Committee and Audit Committee are responsible for reviewing the risk management and internal control system of the Company, generally supervising the effective implementation of the risk management and internal control system and conducting self-assessment of the daily internal control. With the delegation from the Board, the Audit Committee will review the Group's risk management and internal control system and the effectiveness of the internal audit function. The internal audit department is responsible for organising the assessment work in relation to daily risk management and internal control review and making reports accordingly to the Audit Committee.

# Corporate Governance Report

The Company has established and implemented procedures for (i) collection, evaluation and publication of information to ensure timely reporting of inside information to the Board and the Shareholders; and (ii) responding to external enquiries about the Group's affairs. With a view to identifying, handling and disseminating inside information in compliance with the SFO, procedures including preclearance on dealing in Company's securities by designated Director, notification of blackout period and securities dealing restrictions to relevant Directors and employees, identification of project by code name and dissemination of information on a need-to-know basis have been implemented by the Group to guard against possible mishandling of inside information within the Group.

The Group has established an anti-corruption policy requiring all employees to comply with the Anti-Fraud and Anti-Bribery Management System to prevent all types of fraud, malpractice and malfeasance, and the anti-corruption policy forms part of the Group's corporate governance framework. The Group encourages its employees and companies with whom it does business to report and uncover fraud and bribery and strives to achieve the highest standards of ethical conduct in its operations.

The Group has set up a dedicated email address to receive reports of fraud and bribery, maintains strict confidentiality on all procedures from receiving reports to the investigation, prohibits the disclosure of data of the whistleblower or to the person(s) or the department being reported, and prevents the casual circulation of reporting materials to the public. The Audit Committee shall be informed of the nature of the reports received, the status of the examination and the results of handling of such reports. The Audit Committee reviews the whistleblower policy annually to ensure its effectiveness.

For the Reporting Period, the Risk Management Committee of the Group reviewed and assessed the sufficiency and effectiveness of the risk management and internal control system and the internal audit function every half year, reviewed the risk management plans for the second half of 2025 and the year of 2026, discussed whether there were any major investigation findings on new risks arising from the business, strategical and risk management affairs of the Company, and advised on improvements to the risk management system of the Company.

During the Year, the Board has continued to oversee the Group's risk management and internal control system. With the delegation from the Board, the Audit Committee has performed an annual review and considered the sufficiency of the resources for accounting, internal control review and financial reporting, the qualifications, experience and training of relevant staff, and the relevant budget for the past year. After hearing the report from the Audit Committee and obtaining confirmation from the management for the effectiveness of relevant systems, the Board is of an opinion that the risk management and internal control system and the internal audit function of the Group are sufficient and adequate.

## Shareholders' Rights

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

# Corporate Governance Report

## Right to convene extraordinary general meeting

According to article 51 of the Articles of Association:

- (a) Shareholders individually or jointly holding 10% or more of the Company's issued voting shares at the proposed general meeting (on a one vote per share basis) may sign one or several same written requests proposing to the Board to convene an EGM and stating the subjects to be considered at the meeting and adding resolutions to a meeting agenda. The number of shares held referred to above shall be calculated on the date the Shareholders submit their written request. After receiving the aforesaid documentary requirements, the Board should convene an EGM as soon as possible;
- (b) if the Board agrees to convene an EGM, it shall issue a notice on convening the Shareholders' general meetings within five days after passing the board resolution. Any changes to the original proposal as stated in the notice shall be approved by the relevant Shareholders;
- (c) if the Board refuses to convene an EGM, or gives no response within ten days upon receipt of such proposal, Shareholders individually or in aggregate holding more than 10% of the Company's shares shall be entitled to propose to the Supervisory Committee for convening such meeting, provided that such proposal shall be made in writing;
- (d) if the Supervisory Committee agrees to hold an EGM, a notice of such meeting shall be dispatched within five days upon receipt of such request. Changes made to the original proposal in the notice shall be approved by the relevant Shareholders; and
- (e) if the Supervisory Committee fails to give notice of such meeting within the specified time limit, it shall be deemed to have failed to convene and preside over such meeting, in which case, Shareholders individually or in aggregate holding more than 10% of the Company's shares for not less than 90 consecutive days shall have the right to convene and preside over such meeting by themselves. The procedures for convening such meeting should follow those for convening a general meeting of Shareholders by the Board as similar as practicable.

## Putting Forward Proposals at Shareholders' General Meetings

According to article 56 and 57 of the Articles of Association, when a general meeting is held by the Company, the Board, the Supervisory Committee or Shareholder(s) who individually or jointly holding more than 3% of the shares of the Company may propose resolutions to the Company. Shareholder(s) who individually or jointly holding more than 3% of the shares may submit extra proposals in writing to the Board at least 10 days prior to the Shareholders' general meeting. The contents of a proposal shall be within the scope of duties and responsibility of the Shareholders' general meetings. It shall have a clear issues and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative rules and regulations and the Articles of Association.

## Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to The Investment & Management Center via email (email address: [ir@realwaycapital.com](mailto:ir@realwaycapital.com)).

# Corporate Governance Report

## DIVIDEND POLICY

The Company may distribute dividends by way of cash or by other means that the Board considers appropriate. The Board determines whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment based on the Group's results of operations, cash flows, financial condition, the Shareholders' interests, the general business conditions and strategies, the capital requirements, the payment by the Company's subsidiaries of cash dividends to the Company and other factors as may be considered relevant at such time by the Board.

## CONSTITUTIONAL DOCUMENTS

The Company did not make any amendments to its Articles of Association during the Year. An up-to-date version of the Articles of Association has been published on the websites of the Company and the Stock Exchange.

## INVESTOR RELATIONS AND COMMUNICATION WITH ITS SHAREHOLDERS

The Board recognises the importance of good communications with all Shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company uses various channels to communicate with its shareholders: (i) issuing annual reports, interim reports, announcements and circulars to provide shareholders with information on recent business developments and financial performance; (ii) annual general meetings and extraordinary general meetings to provide a platform for Shareholders to communicate directly with the Directors and senior management, so as to express their views and exchange ideas; (iii) establish the Company's website (<https://www.realwaycapital.com>) to provide additional communication channels to the public and Shareholders. All corporate communications and updates are available to the public on the Company's website; (iv) updates on key information are provided to Shareholders and investors through the Stock Exchange's website and the Company's website; and (v) the Company's share registrar in Hong Kong is available to Shareholders for share registration, dividend payment and related matters.

The Board regularly reviews the existing communication channels with Shareholders and investors to ensure that they are working effectively and to provide suggestions for improvement where necessary. During the Year, the Board reviewed the implementation of the Shareholder Communication Policy and considered it appropriate and effective.

# Environmental, Social and Governance Report

## 1. SCOPE OF THIS REPORT

Shanghai Realway Capital Assets Management Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”, “**we**”, “**us**” or “**our**”) are pleased to publish this environmental, social and governance (“**ESG**”) report (this “**Report**”) for the reporting period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**” or “**Year**”). This Report aims to disclose information regarding the Group’s ESG performance and climate-related performance, risks, opportunities, and policies. This Report was adjusted and prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the IFRS S2 climate-related disclosures. This Report covers the Group’s three operating locations, including:

- (1) Shanghai
- (2) Tianjin
- (3) Hangzhou

## 2. REPORTING PRINCIPLES

- **Materiality:** The Group periodically refers to local and international sustainability standards within the same industry, striving to align with them. At the same time, regular communication with stakeholders of various aspects is used to identify the most concerned and important sustainability topics for the Group. Those sustainability topics will also be incorporated into the Company’s development policies under the overall strategy of the Company’s operations. During the Year, the Group also conducted stakeholder surveys to identify their expectations on the Group and developed appropriate strategies to respond to their views and needs.
- **Quantitative:** The Group strives to quantify and disclose key performance indicators and data in the environmental and social domains, explaining data collection and calculation methods where practicable to enhance transparency.
- **Balance:** In order to maintain the balance of reporting content, fair disclosure of sustainability performance and challenges related to the Group and stakeholders is provided with impartial information to the public.
- **Consistency:** The Group follows the Hong Kong Stock Exchange’s ‘Environmental, Social and Governance Reporting Code’ for disclosure, enabling meaningful year-on-year comparisons of past performance within a consistent framework, and to disclose updated calculation methods of relevant data when necessary.

# Environmental, Social and Governance Report

## 3. BOARD'S GOVERNANCE ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE TOPICS

The Board is the highest governing body responsible for climate-related risks and opportunities of the Group. It provides comprehensive oversight of the identification, assessment, management, and disclosure of climate-related issues, ensuring that climate considerations are aligned with the Group's long-term business strategy and sustainable development objectives. The Board also continuously oversees ESG matters to ensure that operations remain in compliance with applicable local laws and regulations, while safeguarding the interests of the Group and its stakeholders and enhancing corporate reputation.

The Group collects ESG-related information on a regular basis through various functional departments and working groups. Such information is then consolidated, analysed, and disclosed in the ESG report. At the Board's annual meetings, directors review the ESG performance disclosed in the ESG report, assess its alignment with the Group's business strategy and regulatory compliance status, and identify sustainability issues that are material to the Group and its stakeholders, thereby enabling informed and appropriate decision-making. In providing leadership on ESG matters, the Board's responsibilities include, but are not limited to, the following:

- Approving climate-related and ESG targets, including carbon reduction targets, scenario analysis results, and net-zero pathways;
- Regularly reviewing reports from the climate risk committee and the ESG working group, and overseeing the effectiveness of climate and ESG strategy implementation;
- Approving climate-related and ESG disclosures, materiality assessment results, and stakeholder engagement plans included in the annual ESG report;
- Ensuring that climate-related risks are appropriately integrated into the enterprise risk management framework and assessed and prioritised alongside other major risks, such as geopolitical risks, market volatility, and anti-corruption risks; and
- Explicitly considering climate-related financial impacts when approving major capital expenditures, mergers and acquisitions, and investment portfolio adjustments.

### ESG governance structure



# Environmental, Social and Governance Report

Through annual reporting by the ESG committee and the ESG working group, as well as the annual preparation of the ESG report, the Board conducts a comprehensive assessment of climate-related risks and opportunities, together with the potential impacts arising from other material ESG issues. The Board clearly identifies and prioritises the management of matters that have a significant impact on the Group's financial position, operational resilience and long-term value, including:

- Climate-related risks: physical risks (such as the impact of extreme weather events on the supply chain) and transition risks (such as the impact of carbon pricing policies on the investment portfolio); and
- Other material ESG risks: labour rights and employee well-being, anti-corruption and anti-money laundering, data privacy and cybersecurity, product responsibility, and service quality.

Based on the results of the annual materiality assessment, and taking into account stakeholder feedback and the principle of double materiality, the Board formulates and approves targeted risk mitigation and opportunity capture measures to ensure that the Group's sustainable development is aligned with long-term shareholder value. The Group will continue to implement its established strategies, proactively seize market and green transition opportunities, while strictly controlling operating costs and strengthening its comprehensive ESG and climate risk management framework. According to the Board's 2025 risk assessment, the most critical focus areas for risk management currently include:

- Climate change and transition risks
- Labour rights and employee well-being
- Anti-corruption, anti-bribery and anti-money laundering
- Service quality and product responsibility
- Data privacy and cybersecurity

The Group will further enhance its internal control and training programmes, covering areas such as climate risk identification, IFRS S2 disclosure requirements, application of the Task Force on Climate-related Financial Disclosures (TCFD) framework, green financial product design, and anti-money laundering compliance, to ensure that employees possess the professional capabilities required to address increasingly complex ESG and climate-related challenges.

Looking ahead to the coming year, the Board anticipates that the Group's ESG and climate strategies will be influenced by the following key trends, and has made forward-looking arrangements accordingly:

- Macroeconomic and geopolitical factors: economic volatility and supply chain restructuring are expected to amplify climate transition risks. The Group will further reduce its exposure to high-carbon sectors.
- Environment and climate: as global net-zero regulations become more stringent, the Group has set short-term carbon reduction targets and commits to reducing total greenhouse gas emissions and emissions intensity by 30% and 50%, respectively, by 2034 compared with 2024. The Company has already disclosed certain information in accordance with regulatory requirements and will actively explore the implementation timeline and feasibility of full IFRS S2 climate-related financial disclosures, including quantitative financial impact assessments under both the 1.5°C and 3°C scenarios.
- Social responsibility: increased emphasis will be placed on employee well-being, community contributions and diversity, strengthening the Group's social responsibility awareness, while also incorporating considerations of the impact of climate migration on the labour market.
- Technology and governance: addressing challenges arising from digital transformation and data privacy, and applying technological solutions to climate data tracking.

# Environmental, Social and Governance Report

Looking further ahead, the Group will continue to refine its business framework, actively manage a diversified investment portfolio, and closely monitor market trends and climate scenario analysis results to flexibly adjust its investment strategies. This includes, for example, assessing transition opportunities under the 1.5°C pathway through scenario analysis. In addition, the Group will further explore investment opportunities in green finance and low-carbon industries, deepening its engagement in sustainable development to lay a solid foundation for long-term growth. The Board will continue to oversee these developments and will disclose scenario analysis results and financial impact assessments in the 2025 annual report. For further details, please refer to the sections titled “Climate Strategy”, “Climate Risk Management”, and “Climate Indicators and Targets” in this Report.

## 3.1 Climate-related capacity building

The Board as a whole possesses the necessary skills to effectively oversee the Group’s climate-related risks and to provide strategic guidance in capturing related opportunities. In addition to existing professional expertise, the Group recognises that continuous learning and development are indispensable for strengthening the Board’s sustainability-related capabilities. To this end, the Board and the management team maintain ongoing dialogue and knowledge-sharing on ESG matters, including the implications of climate-related risks.

To further enhance professional knowledge and capabilities across all levels of the Group in relation to climate change and sustainable development, the Group is committed to delivering relevant training programmes. During the Year, the Group actively participated in various training sessions and seminars organised by professional institutions. These covered, among others, training on the Stock Exchange’s new climate-related disclosure requirements, aimed at strengthening understanding, interpretation and implementation of the new climate requirements, as well as comprehensive climate risk management training at the group level to enhance awareness and understanding of climate-related risks among senior management and functional departments.

This comprehensive approach, combining internal training with external collaboration, helps ensure that the Board and management are well equipped to effectively guide the Group’s sustainable development strategy.

# Environmental, Social and Governance Report

## 4. COMMUNICATION WITH STAKEHOLDERS

The Group convenes annual general meeting with shareholders to provide an effective channel for the Board to exchange opinions with shareholders. The Group's overall business performance is reported to all investors every year with details set out in the annual report. For those customers and suppliers in close connection with the Group, they could communicate with our customer service staff through email and teleconferences to raise their opinions and requests.

Furthermore, to ensure regulatory compliance in business operations, the Group closely monitors feedback from relevant regulatory authorities, responding and following up promptly. Relevant platform and teams are also established for identifying and responding to the community needs.

<b>Group's stakeholders</b>	<b>Main means of communication</b>
<b>Shareholders</b>	The Company's website Annual report and interim report Annual general meeting of shareholders and other general meetings
<b>Suppliers</b>	Supplier survey Company press releases, financial and other data relating to the Company's business
<b>Customers</b>	Customer survey Investor activities, investor quarterly/annual report Phone conference, visits and meetings
<b>Community</b>	Volunteering activities Charitable activities
<b>Government/Regulators</b>	Policy announcement Regulatory communications On-site inspection, phone conference

# Environmental, Social and Governance Report

## 5. MATERIALITY ASSESSMENT

In order to better understand the ESG awareness and expectations of our stakeholders, in addition to the above stakeholder communication channels, the Group conducted a survey of stakeholders this year and proceeded the following three steps to prepare and conduct the materiality assessment:

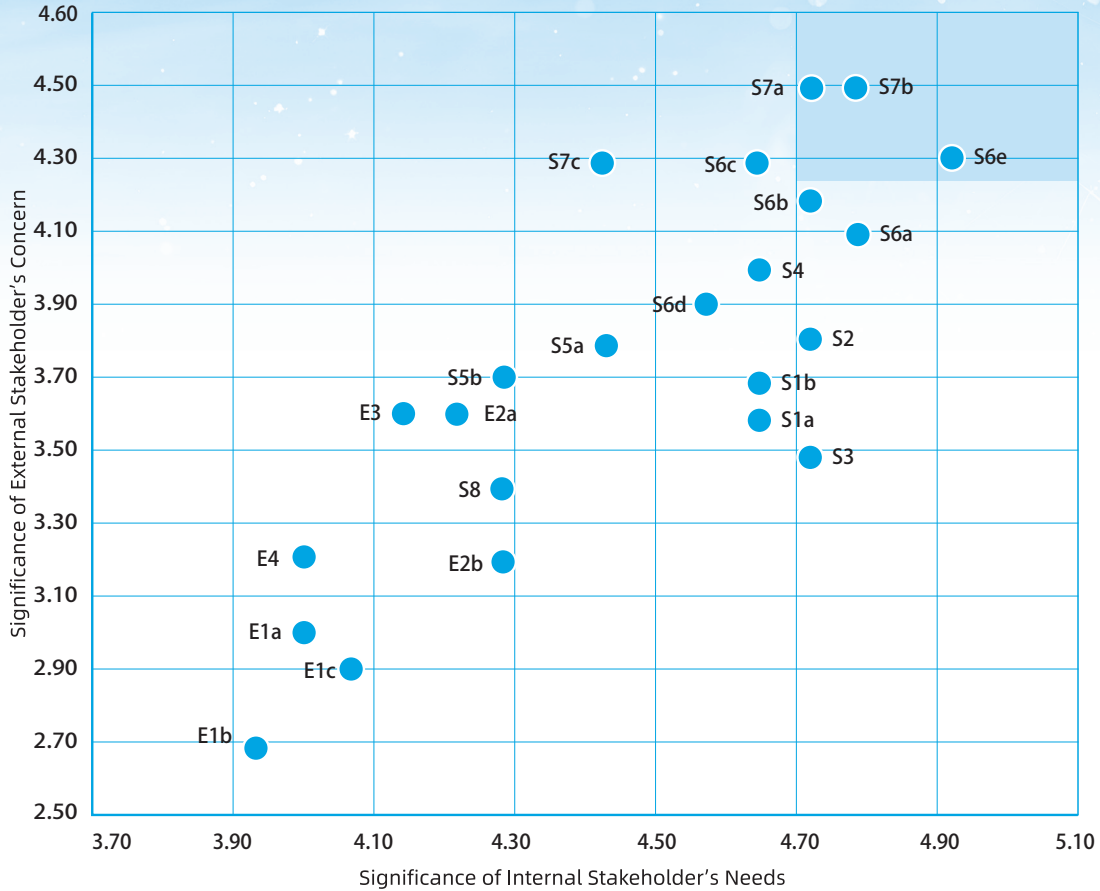
<p>Step 1</p> <p>Identify topics on ESG</p>	<p>In accordance with the HKEX’s Environmental, Social and Governance Reporting Code as the framework for materiality assessment, and taking into account factors such as corporate development strategies, industry trends, regulatory and market requirements, the stakeholder questionnaire was developed to conduct survey on 23 sustainability (ESG) topics in four categories: namely environmental protection, employment and labour management, operating practices and community investment.</p>
<p>Step 2</p> <p>Identify stakeholders and develop survey questionnaires</p>	<p>The stakeholders identified as utmost important to the Group are our customers, suppliers and employees. According to their respective perceptions and expectations, specific content of the topics was formulated in their respective questionnaires. The questionnaires were then distributed to the sampled stakeholders, whose feedback was collected within the specified time frame.</p>
<p>Step 3</p> <p>Evaluate and identify material topics</p>	<p>Through statistical analysis of survey feedback from external stakeholders, and review of the Group’s strategies and the priorities of internal stakeholders, data of both external and internal demands was consolidated for plotting the “ESG Materiality Matrix Diagram”. From the aforesaid 23 ESG topics, the ESG material topics of the Group were identified (within the <b>blue</b> square in the upper right corner of the matrix diagram on next page).</p>

### “Materiality Assessment” based on 23 sustainability topics

Legend	ESG topics	Legend	ESG topics
E1a	Air pollutant and greenhouse gas emission control	S5a	Supply chain management
E1b	Wastewater treatment	S5b	Green procurement
E1c	Solid waste handling	S6a	Product/service quality
E2a	Energy conservation	S6b	Customers’ health and safety
E2b	Water conservation	S6c	Customer service and complaint handling mechanism
E3	Operations minimizing environmental impacts	S6d	Intellectual property right protection
E4	Strategy against climate change	S6e	Customer data privacy protection
S1a	Employment and staff benefits	S7a	Corporate governance
S1b	Equal, anti-discrimination, and diversified working environment	S7b	Prevention of corruption/bribery and money laundering
S2	Occupational safety and health	S7c	Anti-competitive practices
S3	Employee development and training	S8	Community investment
S4	Prevention of child and forced labour		

# Environmental, Social and Governance Report

ESG materiality matrix diagram



In the materiality assessment conducted during the Year 2025, “anti-corruption/anti-bribery and anti-money laundering”, “corporate governance”, and “protection of customer data privacy” were among the top three most material issues. “product/service quality” and “anti-competition practices” (indicated in italics in the table below) was the issue that showed a difference in the year-on-year comparison. Nevertheless, all identified issues were above the materiality threshold (i.e. Each scored above 2.5 in terms of importance to both the Group and its stakeholders). Accordingly, all such issues are required to be disclosed in the upcoming environmental, social and governance report.

**Year 2025**

- Protection of customer data privacy*
- Corporate governance*
- Anti-corruption/anti-bribery and anti-money laundering*

**Year 2024**

- Anti-competition practices*
- Anti-corruption/anti-bribery and anti-money laundering*
- Product/service quality*

# Environmental, Social and Governance Report

## 6. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

### 6.1 Environmental

#### 6.1.1 Environment and Natural Resources

As a non-polluting industry, the Group's operations do not generate significant emissions of exhaust gases or wastewater, nor does it generate hazardous waste during business operations. Although water consumption in the office operation was insignificant and consequently it was not necessary to establish targets on water use efficiency, but the Group was still striving to set the following environmental targets for contributing to environmental protection:

Environmental Objective	Strategic Statement	Measures Implemented During the Year
Energy Use Efficiency	Enhance overall energy efficiency through online meetings, energy management of equipment, and replacing fuel vehicles with electric vehicles.	<ul style="list-style-type: none"> <li>Internal group meetings were conducted using "Tencent Meeting", thereby reducing the frequency of business travel between group companies and lowering vehicle usage.</li> <li>Power supply to unused equipment in server rooms was suspended to reduce unnecessary electricity consumption.</li> <li>Vehicle procurement policies aligned with the Group's emission reduction targets; all fuel-powered vehicles were replaced with electric vehicles to reduce emissions from transportation.</li> </ul>
Reduction of Emissions	Optimise the use of electricity and air conditioning, and reduce transportation activities to lower both direct and indirect carbon emissions.	<ul style="list-style-type: none"> <li>Office layouts were optimised and office floor area was reduced, lowering overall electricity consumption in office premises.</li> <li>Vehicle travel was reduced and electric vehicles were adopted in place of fuel-powered vehicles, thereby reducing emissions from fuel consumption. At the same time, video conferencing, telephone meetings and other electronic communication tools were increasingly used to reduce business travel, thereby lowering greenhouse gas emissions arising from transportation.</li> </ul>

# Environmental, Social and Governance Report

Environmental Objective	Strategic Statement	Measures Implemented During the Year
Waste Reduction	Promote digitalised operations and improve paper-use efficiency to reduce office paper waste.	<ul style="list-style-type: none"> <li>• Digitalisation of operations and document management was enhanced to reduce paper consumption in offices.</li> <li>• Double-sided printing was encouraged where feasible and where confidentiality requirements permitted.</li> <li>• Multimedia presentations were used for meetings where possible to reduce the need for printed documents.</li> <li>• To further promote shared printing and paperless office practices, one printer was removed in 2025, reducing consumables usage and electricity consumption.</li> </ul>

## 6.1.2 Use of Resources

The business of fund management and investment consultation operated by the Group belongs to financial business, its major consumption of resources derived from offices, including use of energy and paper. According to the characteristics of the industry, the Group formulated relevant environmental policies to achieve rational use and utilization of resources.

### (i) *Statistics of resource consumption*

During the Year, the Group's principal resource consumption concentrated in office electricity usage and paper usage. By comparison, water consumption was not significant. Overall, the pattern of resource consumption during the Year remained broadly consistent with that of the previous year.

Compared with 2024, the Group's electricity consumption decreased from 71,694 kWh to 39,659 kWh, representing a reduction of approximately 45%. As the Group fully replaced fuel-powered vehicles with electric vehicles in 2025, gasoline consumption decreased from 1,138 litres to 0 litre, representing a reduction of 100%, demonstrating further optimisation of the Group's transportation energy usage. In addition, paper consumption decreased from 273 kg to 217 kg, representing a reduction of approximately 21%, reflecting the continued implementation of paper-saving initiatives and digitalised management.

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The diagram below illustrates total consumption of various resources consolidated from all operating sites for the Year :



Power consumption  
**39,659** kWh



Gasoline consumption  
**0** litre



Paper consumption  
**217** kg

Resource consumption	Unit	Year 2025	Year 2024
Electricity	kWh	<b>39,659</b>	71,694
Gasoline	litre	<b>0</b>	1,138
Paper	kg	<b>217</b>	273

**(ii) Energy conservation measures**

Main energy consumption amongst the office operations is electricity. Apart from installation of energy-saving LED lights throughout the office areas, the Group has also instructed employees to follow the appropriate energy conservation measures, such as: employees shall turn off the power supply of facilities during non-office hours, air-conditioning shall be set at an appropriate temperature to reduce unnecessary energy consumption.

**(iii) Water conservation measures**

Water consumption equipment in the office areas of the Group was managed by the property management offices where they were located, which did not provide specific monthly records of water consumption by the Group due to centralized management. Under the general office operations, water consumption is relatively insignificant and consequently the Group has not put in any specified water conservation measures. During the Year, there was no issue in sourcing water that was fit for purpose.

**(iv) Paper conservation measures**

During the Year, paper was mainly consumed for general office operations and printing of product promotional materials. On the other hand, no packaging materials are required for the products. The Group encourages employees to use both sides of paper by recycling single-sided printed paper for printing on the other side, in order to improve the efficiency of paper use.

In addition, for the appropriate processes, the Group adopts electronic office systems to operate in electronic ways for various processes such as risk control, financing, personnel and administrative tasks. These replace paper-based notification and approval with the aims of reducing paper use. Electronic information and records are classified by department and centrally stored in electronic folders. This minimizes the wastage of papers from duplicated printing by employees in the same department.

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## 6.1.3 Emission

The business of fund management and investment consultation operated by the Group does not involve significant discharge of solid waste or sewage, and the waste generated by the Group is mainly non-hazardous domestic garbage. However, with regard to business activities involving GHG emissions from office operations, the Group has formulated relevant policies to mitigate the adverse impact to the environment. For details, please refer to “Climate Indicators and Targets”.

### (i) *Control of solid wastes*

The Group's business operations generally do not generate hazardous waste. For non-hazardous domestic garbage, the Group is striving to classify the recyclable waste such as office scrap paper and collect them for handling by qualified agencies<sup>1</sup>. The Group strictly adheres to the local waste disposal regulations in the local areas of business, including the waste classification regulations in the cities where the operating offices are located. Pursuant to the relevant requirements, the Group conducted training to all employees, and allocated rubbish bins configured for classification. In the Year, the Group keeps on monitoring and assures that employees proceed waste collection and disposal in accordance with the four categories of wastes (dry wastes, wet wastes, hazardous wastes and recyclable wastes).

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

## 6.2 Social

### 6.2.1 Employment

The Group strictly abides by the national labour laws and other local regulations of the regions where the Group is operating for developing its employment policy, also has formulated an employee handbook to elaborate and protect the rights and benefits of employees. The employee handbook is written in Chinese and is also available in electronic version for easy access by employees. In addition, any updates to the handbook will be publicly displayed for employee awareness and feedback to ensure that they are implemented without apparent disagreement.

<sup>1</sup> The non-hazardous wastes generated by the Group during the Year was mainly scrap paper. In the actual operation, the Group has already largely adopted electronic processes and hence the amount of paper wastes was not significant. Such paper wastes were collected and subsequently handled by the property management agencies of the buildings where the Group's offices were located, and therefore the Group did not record the weight of paper wastes generated and the content recycled.

# Environmental, Social and Governance Report

## (i) **Recruitment and promotion**

The Group has formulated and issued the “Realway Capital’s Management Measures for Recruitment” to stipulate its recruitment procedures and systems. The Group requires employees participating in all stages of recruitment to observe the principle of friendly communication on the basis of mutual respect and equality. Equal treatment of job candidates in the interview process is one of the important rules.

Whenever there are recruitment needs, the Group will determine the job requirements in various aspects according to the “Job Descriptions” and “Employment Qualifications” specific to the relevant functions and ranks. Recruitment is simply based on job requirements and shall not be affected by attributes such as race, ethnicity, social class, nationality, religion, disability, gender, sexual orientation, marital status, age, trade union membership or political party, in order to avoid any occurrence of discrimination.

In addition to recruitment, the Group carries out personnel management work, covering resignations, employee compensation and benefits, social insurance, etc. in accordance with relevant laws and regulations. The Group also performs dismissal procedures in strict accordance with the “Labour Law” and the “Labour Contract Law” to ensure compliance with legislations and accountability to employees.

Moreover, the Group has established clear promotion policy to give adequate promotion opportunities to eligible personnel. The Group performs performance management on a semi-annual and annual basis. Evaluation of each employee’s work performance is carried out fairly and impartially through self-evaluation and appraisal by supervisor, recommendation is provided to employees in the process to help them enhance their performance.

## (ii) **Compensation and benefits**

The Group formulates salary adjustment policies based on the human resources market and the fairness among internal functions and ranks. According to the market conditions and the situation of the Group, “Employee Salary Range Table” has been developed for determination of an appropriate salary range after collecting relevant information of the job applicant during recruitment. Whenever there is a need to go beyond the established salary range after communication and negotiation with the job applicant, it shall be approved by the responsible superiors.

For determination of salary adjustment, the Group will review the rationality and competitiveness of the current salary structure, based on employee’s current salary, salary trends in the market and reference of the industry average. In addition, performance appraisal on employee’s performance will be carried out on semi-annual basis, which is also an important part of the salary review.

The Group compensates employees’ salaries and benefits in strict compliance with relevant national laws and regulations, including statutory minimum wage, calculation of overtime compensation per law, social insurance contributions, as well as other statutory employee benefits and rights, such as statutory holidays, paid annual leave and paid maternity leave. On the basis of guaranteeing the statutory employee benefits, the Group also bears the work-related expenses incurred by employees, such as the cost of overtime meals and communication expenses related to business operations. In addition to the statutory annual leave, the Group provides personal and family-related leave, and increases the eligible leave by a day each year to employees who have joined the Group for at least three years.

# Environmental, Social and Governance Report

**(iii) Statistical information related to employment**

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

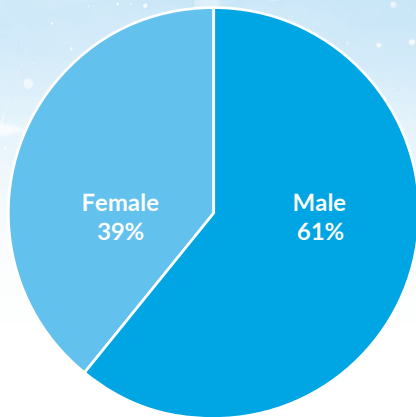
As at 31 December 2025, there was a total of 77 employees, amongst which 71 employees were on full-time basis and 6 employees were on part-time basis. All employees were situated in Mainland China. In the Year, the overall monthly average employee turnover rate was 2.09%, while the turnover rate was 3.40% in the previous year.

	Number of employees <sup>2</sup>	
	Year 2025	Year 2024
<b>Gender</b>		
Male	47	38
Female	30	24
<b>Employee category</b>		
Senior management	8	8
Middle management	15	18
Supervisor	17	17
General staff	37	19
<b>Age group</b>		
16-24 years old	2	1
25-34 years old	24	24
35-44 years old	32	19
45-54 years old	14	13
55-64 years old	4	5
65 years or older	1	0

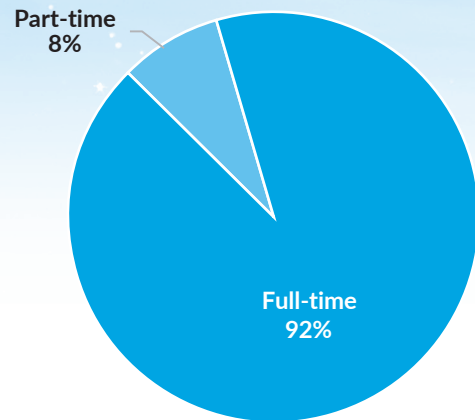
<sup>2</sup> The statistics was disclosed for the number of persons as of the end of December in the Reporting Year.

# Environmental, Social and Governance Report

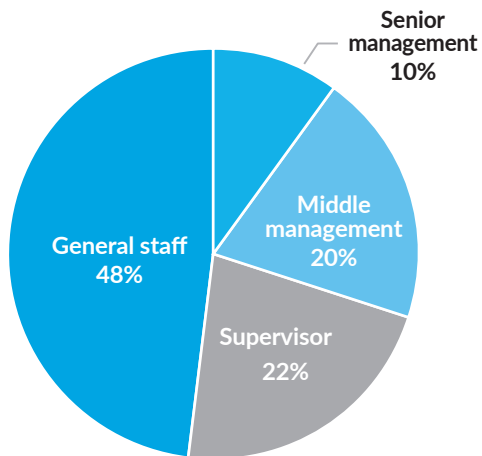
Proportion of employees by gender



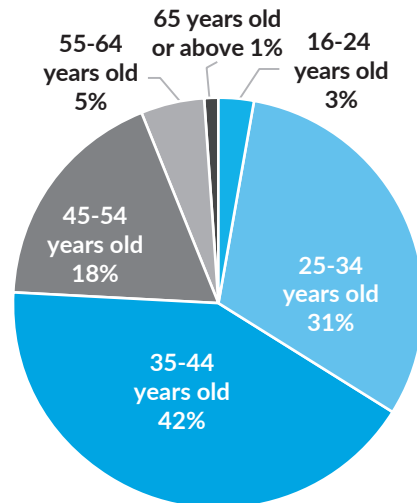
Proportion of employees by employment type



Proportion of employees by employee ranking



Proportion of employees by age group

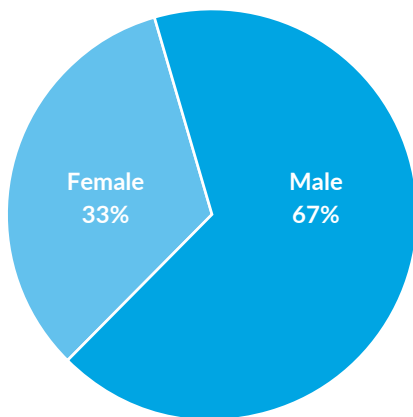


# Environmental, Social and Governance Report

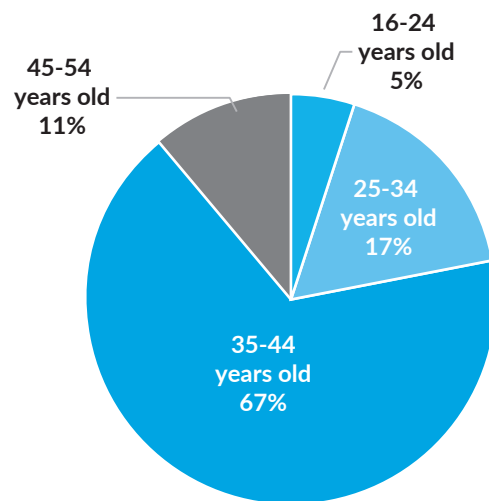
Based on monthly average calculation, the following diagrams and tables set forth the statistical number of employees and employee turnover rate of the various classifications :

	Monthly Average Employee Turnover Rate	
	Year 2025	Year 2024
<b>Gender</b>		
Male	2.32%	3.57%
Female	1.69%	3.18%
<b>Employee category</b>		
Senior management	1.97%	0.00%
Middle management	0.00%	1.78%
Supervisor	2.45%	3.24%
General staff	2.89%	6.94%
<b>Age group</b>		
16-24 years old	4.17%	4.17%
25-34 years old	1.00%	5.04%
35-44 years old	3.41%	3.53%
45-54 years old	1.19%	0.76%
55-64 years old	0.00%	0.00%

**Proportion of employee turnover by gender**



**Proportion of employee turnover by age group**



# Environmental, Social and Governance Report

## 6.2.2 Health and Safety

The Group adopts the 5-S methodology which requires employees to “Structurise”, “Systematise”, “Sanitise”, “Standardise” and “Self-discipline”, for maintaining clean and tidy workplaces and prevention of employees from suffering occupational diseases and industrial casualties.

### (i) *Workplace management*

The Group assures safety management in the workplaces, including response to fire safety, installation of fire-fighting supplies such as fire hydrants, fire extinguishers, etc., and posting of fire evacuation route plans in the obvious places of corridors, and placing in the office with first aid kits stocked with common emergency medicines. For health management, the Group provides employees with a comfortable work environment with adequate lighting and good air quality. To this end, the Group carries out regular maintenance of relevant equipment, including cleaning of air-conditioning filters, pipes and carpets every year.

### (ii) *Employee training*

In addition to the management of premises and equipment, the Group endeavours to provide adequate training for employees. Office-related safety training is provided to new employees. Employees are arranged annually to participate in fire drills held in the office building and attend fire service courses organized by the local agencies. In addition, in response to the extreme weather incurred from climate change in recent years, the Group has established clear guideline for governing the work arrangement in case of typhoon and rainstorm.

### (iii) *Caring of employee health*

The Group has provided office employees with appropriate equipment, for example: chairs with armrests and height adjustment, for mitigating health risks incurred to employees from inappropriate equipment. Also, the Group is concerned about the mental health of employees, grievance communication channel is set up for employees to voice out any issues which inhibit their family life or other aspirations to achieve work-life balance.

### (iv) *Performance on occupational health and safety*

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to providing a safe working environment and protecting employees from occupational hazards, and there was no working day lost due to work-related injuries. In addition, there was no incident of work-related fatality over the past three years (including the Year).

## 6.2.3 Development and Training

### (i) *Employee training system*

Talent pool is the cornerstone of the development of the Group. The Group has always attached importance to the growth and development of its employees. It is committed to building a scientific and complete training system to provide comprehensive learning and improvement opportunities for employees at different stages. The Group aims to evoke the potential development of employees and enhance their professional capabilities through well-designed training programs and provision of resources, thereby promoting the sustainable development of the Group.

The Group has developed a comprehensive training system for employees, which covers the different needs of new entrants and existing employees. In order to improve efficiency in learning, the Group actively uses online training platforms to facilitate the self-directed learning of employees, and launches all internal courses online for employees to access and use at any time, except for those courses with confidentiality, such as courses taught by external speakers.

For newly hired employees, the Group has arranged with training topics on corporate culture, company introduction, internal control measures, financial processes, and practical knowledge of private and public funds, etc., during the Year for the purpose of helping them quickly integrate into the Company and understand the business operations.

For existing staff, the Group has developed professional training plans based on business and occupational needs for every single year. The main courses in the Year focus on the following two areas, which aiming to enhance employees' professional capabilities and vocational qualifications:

- Industry trends and product knowledge
- Personal management skills

# Environmental, Social and Governance Report

In terms of professional topics, the Group not only relies on internal resources, but also work actively to invite external specialist to teach or arranges employees to participate in training courses provided by external institutions, to ensure the forward-looking and practical nature of the training content. The followings are some examples of courses:

## **Names of Training Classes**

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### **Industry Trends and Product Knowledge**

Learning from cases: Upholding the bottom line of integrity in professional practice

Understanding common money-laundering methods and an analysis of the new “Anti-Money Laundering Law”

Key regulatory points for suitability management for securities investors and recommendations for compliance risk prevention and control

Detailed Rules for the Integrity-Based Professional Practice of Fund Operating Institutions and Their Staff

Typical cases of unfair competition

Summary analysis of regulatory cases on integrity-based professional practice of securities and futures institutions and their staff (2024)

Case analysis of securities institutions' violations of suitability management requirements (H1 2025)

Analysis of AML regulatory penalties (Q3 2025)

### **Personal Management Skills**

AI Sharing & Learning Session (1)

AI Sharing & Learning Session (2)

Enterprise Management Improvement Program – “Navigation/Guidance”

For fulfilling the training needs of any special positions, such as new management trainees, mentors will be arranged to engage them in quarterly face-to-face communication and provide appropriate recommendation for raising their competence in an efficient manner.

For employees with other training needs, the Group also has policy to sponsor in full their attendance of external training courses for development of their specific capabilities.

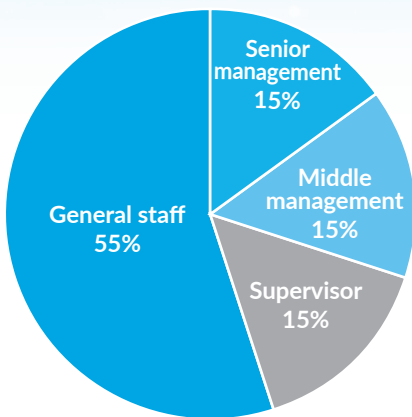
The Group has arranged internship programs in summer-term and long-term to provide mentoring as well as phased assessment and feedback for interns. Those with excellent performance will be given the opportunity to stay in the Group.

# Environmental, Social and Governance Report

## (ii) Employee training performance

Across the operating sites covered by this Report, a total of 54 employees participated in training this year, totaling 885 hours. Compared with the previous year overall, the average training participation rate among all employees decreased by approximately 21.86%; meanwhile, the average training hours per employee decreased by approximately 30.09%.

**Proportion of trained employees by employee ranking**

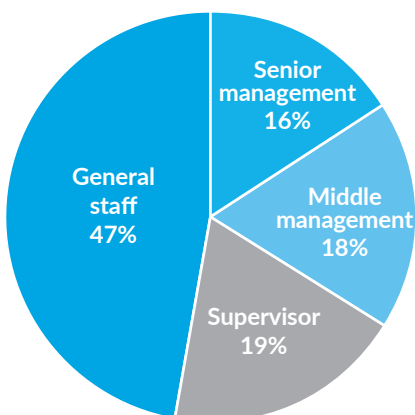


**Average proportion of trained employees<sup>3</sup>**

	Year 2025	Year 2024
<b>Gender</b>		
Male	83.17%	97.37%
Female	64.96%	96.15%
<b>Employee category</b>		
Senior management	100.00%	100.00%
Middle management	42.11%	100.00%
Supervisor	44.44%	94.44%
General staff	100.00%	94.74%
<b>Overall average</b>	<b>75.70%</b>	<b>96.88%</b>

<sup>3</sup> This calculation is based on the monthly average number of persons in the Reporting Year.

**Proportion of training hours by employee ranking**



**Average training hours per employee<sup>4</sup>**

	Year 2025	Year 2024
<b>Gender</b>		
Male	13.78	14.61
Female	10.43	17.73
<b>Employee category</b>		
Senior management	18.38	20.00
Middle management	8.21	16.16
Supervisor	9.28	14.22
General staff	21.84	15.42
<b>Overall average</b>	<b>12.41</b>	<b>15.88</b>

<sup>4</sup> This calculation is based on the monthly average number of persons in the Reporting Year.

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## 6.2.4 Labour Standards

### (i) *Prohibition of child labour*

The Group's recruitment policy targets at two types of job applicants: people with formal work experience in the job market, fresh graduates of bachelor and master degree and interns (interns only open to undergraduate and graduate school students). Consequently, under these two types of recruitment, no child labour would be employed.

In addition, during recruitment interviews, the Group collects the personal information of all job applicants (including intern candidates): identity cards, academic certificates and testimonials of employment, for verifying the authenticity of their submitted age information and hence prevention of employing applicants under the legal working age.

### (ii) *Prohibition of forced labour*

The policies of the Group prohibit all forms of forced labour, including: request for deposit or collateral upon recruitment of employees, withholding of identity documents, withholding of wages, forcing employees to work overtime, bonded labour, and restricting personal freedom through threats of violence or other illegal means. Relevant policies ensure all employees to work on voluntary basis. All employees have the rights to resign within the employment period in accordance with the notice period as stipulated in the employment contracts.

### (iii) *Handling of non-compliance*

Based on the recruitment system and principle, the Group does not allow the occurrence of child labour or forced labour, and has established the relevant preventive procedures. In event of any non-compliance identified, the Group will adopt the necessary steps to eliminate the non-compliance in accordance with laws.

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to preventing child and forced labour.

## 6.2.5 Supply Chain Management

### (i) *Supplier distribution*

In accordance with the practices of the asset management industry, the suppliers of the Group are generally defined as professional service providers and intermediaries related to financial assets, such as fund sales agencies and law firms. In 2025, there was a total of 78 suppliers with whom the Group was in business partnership. Amongst these suppliers, 72 suppliers were located in Mainland China and the remaining 6 suppliers were situated in Hong Kong.

### (ii) *Supplier evaluation and screening*

For assuring continuous sourcing of quality resources by the Group, the procurement department is leading the evaluation of suppliers who are in partnership with the Group. Especially for long-term suppliers, the evaluation shall be conducted on a regular basis. Where necessary, the risk control department and the financial management department will be invited to conduct due diligence on suppliers.

The procurement department conducts preliminary comparison and selection of suppliers in various aspects such as scale, industry experience, business qualification, mode of cooperation, business quotation and industry feedback, for identifying the shortlisted suppliers who meet the basic requirements.

For intermediary suppliers such as law firms, the Group shall evaluate their qualification, project experience, lawyer certificates, etc. For suppliers responsible for fund sales, the Group shall evaluate their background, scale, business types, sales performance, business process, legitimacy, fund sales qualifications, etc. Owing to business needs, 33 new suppliers have been engaged in the Year and all of them are located in Mainland China for providing consultation services. They have been evaluated on the qualification and experience prior to signing for engagement, and the business partnership only commenced after passing evaluation.

For those suppliers already in partnership, the interval of supplier evaluation is generally carried out by the end of each fiscal year. "Supplier Information Registry" will be updated with approved suppliers and recorded with any follow-up items for improvement.

If the supplier is not qualified in the periodic evaluation, the Group shall review the impact from those products and services still delivered during the valid period of partnership. If the impact is significant, the partnership with that specific supplier shall be terminated in principle. If it is necessary to continue the partnership under special circumstances, the special reasons shall be recorded in the evaluation files for future reference and tracking.

### (iii) *Management of environmental and social risks in supply chain*

The Group would prioritize the use of materials and services that do not impose significant environmental impacts and avoid the financial investment products that would have negative impacts on environment or climate change. Furthermore, evaluation would be conducted on the operational compliance of business partners, product non-compliance, and other financial risks such as potential default. The aforesaid practices aim to mitigate environmental and social risks along the supply chain of the Group.

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## (iv) *Green procurement*

During the procurement process, the Group would prioritize those supplies that could be energy-saving or environmental-friendly, such as energy-saving LED lights, or sourcing from the suppliers who attained certification on environmental management system. Moreover, the Group would strive to seek and explore the opportunities on asset management and sales direction regarding green financial products like ESG-preferred investment. The practices aim to align with the global trend of responsible investment for mitigating the negative impacts on climate change.

Moreover, the Group has formulated regional procurement policy, which prioritizes the use of local (situated in Mainland China and Hong Kong) suppliers and service agencies for reduction of GHG emissions from transportation during the procurement process, being implemented as one of the green procurement measures. In the Year, the suppliers who provided materials to the Group were all located in Mainland China and from this perspective, it could be regarded as local procurement in full.

## 6.2.6 Product Responsibility

Being an asset management company, the Group primarily engages in real estate and distressed assets covering fund management, investment consultation services.

### (i) *Product compliance*

The Group strictly abides by the relevant legal regulations and industry self-discipline rules. During the Reporting Period, the Group was not subject to any penalties by the regulatory authorities or industry associations as a result of violations of any laws or regulations.

Throughout the operation processes that involve delivery of products and services, relevant personnel follow the national regulations, industry codes and standards to ensure product compliance with legal requirements. Relevant regulations include the “Securities Investment Fund Law”, the “Regulation on the Supervision and Administration of Private Investment Funds” of the People’s Republic of China, as well as other laws and regulations related to securities and futures institutions, investment fund sales management, and private equity investment fund management.

To strictly monitor the compliance status, the Group has established an independent risk management department for governing the potential risks in the processes of fund and private equity investment management.

### (ii) *Quality management*

The Group has established strict supervisory mechanism for effective monitoring of all stages of projects, from pre-investment, investment-in-progress to post-investment stage. Decision for investment of external project must go through review and approval procedure before execution. Before releasing documents externally and signing agreements, such documents must have passed through the corresponding approval procedures, and could only be released and disclosed after compliance check. During project operation, the progress of the project shall be reported to the Group’s risk control team on a regular basis. In addition, the Group entrusts professional financial institutions to provide custody services for the fund products issued by the Group, including account custody and fund monitoring services. Regular audit is also conducted on various businesses for risk assessment and corrective actions when necessary.

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The Group discloses the information on fund operations to investors in a timely and accurate manner in accordance with relevant regulatory policies, and clearly defines the requirements for information disclosure and regular return visits to investors in its own policies. In addition, the Group shall conduct audit on its business operations regularly to ensure continued compliance with relevant requirements. Whenever necessary, investigation will be conducted to evaluate any risks of non-compliance with the relevant laws and regulations.

The Group's asset management services have been recognised by the industry for many years, which won the "2025 Best Special Opportunity Investor in China" awarded by the "Shanghai Private Equity Association" in the Year.

The Group will continue to uphold the core values of "professionalism, integrity and innovation", optimise the quality management system, tap into market potential, enhance customer experience, strive to become a leading asset management institution in the industry, create more value for customers and shareholders, and promote the healthy development of the industry.

**(iii) Product recall procedure**

Under the product assurance system of the Group, product recall mechanism is also in place, such as handling product recalls incurred from failure in fund filings. Within the time period specified in fund agreements, for those products not completing the fund filings, they will proceed according to agreements to refund the principal to investors after deduction of the associated fees and interests, and will terminate the fund agreement with the fund custodian. Associated refunds and termination of agreements will be proceeded after approval. Fund manager will issue public notice and announce fund cancellation after recall completion. During the Reporting Period, there was no need of initiating product recall mechanism and no recall case was identified.

**(iv) Handling of customer complaints**

The Group has established a comprehensive system for handling complaints and disputes, which has dedicated personnel to handle complaints and disputes from investors in accordance with "Customer Service Guidelines", and has a comprehensive complaint handling process for responding to all kinds of complaints in a timely manner. Complaint case will go through cause analysis to identify the system loopholes which lead to the occurrence of complaints. Relevant corrective and preventive procedures will then be developed to prevent the recurrence of the similar complaints or disputes.

During the Reporting Period, the Group received 5 complaint cases, all affected customers were responded to by the Group. Upon acceptance of customer complaints, the staff will handle and close the complaint cases within the prescribed time limits. After resolution of the complaint case, a post-evaluation analysis was conducted to analyze and summarize the experiences learned from the complaints. The Group has always been valuing customer feedback and actively reviewing its business operations, and is committed to promptly identifying and resolving issues, as well as enhancement of the complaint management system and provision of customers with better services.

During the Reporting Period, the Group did not identify any legal violation related to product responsibility.

**(v) Product promotion**

For avoidance of misleading customers, all promotional content of the Group must go through the corresponding information disclosure procedures before releasing to external parties.

# Environmental, Social and Governance Report

(vi) ***Service/product awareness training***

For guaranteeing service quality and avoidance of misleading customers, the Group provides regular training to sales personnel and project managers. For sales personnel, they are required to obtain the fund practice qualification from the Asset Management Association of China and pass the internal training of the Group. For project managers, they are required to obtain the fund practice qualification and pass the examination organised by the Group.

(vii) ***Information security management***

The Group collects information from investors in accordance with the requirements stipulated by the regulatory authorities and industry self-discipline organizations, which clearly list out the purpose of personal data collection and the related users, as well as the ways in managing and using such customer information in strict compliance with the prescribed purposes.

The Group has strict confidentiality measures, pursuant to which employees and suppliers are required to sign confidentiality agreement when they join in and sign contract with the Group respectively. The Group has documented rules requesting employees not to disclose nor replicate confidential information without prior authorization. Confidential agreements are signed with business partners to ask them not to disclose any product information to external parties.

(viii) ***Maintenance of customer information***

The Group attaches great importance to the storage of customer information and endeavours to maintain the security of customer information. All customer information is kept by dedicated personnel under strict access policy. For confidential information and documentation related to products and customers' intellectual properties, they must be secured and stored by the designated department. Without approval, employees are not allowed to make photocopies or to take the documentation away from the Company's premises. In daily operations, the access to customer information is strictly restricted through access rights. All customer information is closely monitored by the Group for safeguarding the security of personal information and only authorised personnel have access to customer information.

During the Reporting Period, the Group did not identify any case of unauthorized disclosure of company's information to external parties or any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

## 6.2.7 Anti-corruption

### (i) *Anti-business bribery policy*

The Group has formulated specific policy to prohibit employees from accepting bribes and to regulate their acceptance of gifts and cash.

The Group has developed the “Management System for Anti-Fraud and Anti-Business Bribery” for implementing commitment scheme in prevention of business bribery. Apart from the Group’s management personnel, employees in key stages/departments are required to sign the “Letter of Commitment on Integrity and Self-discipline”, only those who signed the “Letter of Commitment on Integrity and Self-discipline” are authorized to enter into a official contract on behalf of the Group with external parties.

All employees of the Group who sign contracts with customers, sales agencies, suppliers and service subcontractors are obliged to inform the contracting parties of the Group’s requirements on anti-business bribery before signing the contracts.

The system also requires all customers, sales agencies, suppliers and service subcontractors that have business dealings with the Group to sign an “Anti-Business Bribery Agreement” along with the formal business contract, or to have additional terms of anti-bribery in the contract to be signed. If the concerned contract does not include the aforesaid terms, it may not be approved by the legal personnel of the Group.

For those employees who are found to be in corrupt practices, the Group will decide to dismiss such employees or transfer such employees to the state judicial authority for handling, depending on the severity of the case and the employee’s attitude.

During the Reporting Period, the Group was not aware of any legal cases or complaints regarding corrupt practices brought against the Company or its employees.

### (ii) *Anti-money laundering policy*

The Group has established internal control system and related operational procedures against money laundering, and has set up a special department to monitor transactions of suspected money laundering, report on related violations, conduct internal inspection, organise internal trainings on topics of anti-money laundering, and whenever necessary assist external authorities in the investigations against money laundering.

### (iii) *Principle of fair procurement*

For employees who are in interest related with suppliers, it is the Group’s policy that they have to apply for retreat from the relevant procurement process, and they have to strictly abide by the Group’s provisions against business bribery, including: not to ask for benefits from suppliers or their interested personnel, reject any bribes offered by suppliers or their interested personnel and report such offers to the Group in a timely manner for follow-up.

# Environmental, Social and Governance Report

(iv) ***Declaration for conflict of interest***

The Group requires all departments to abide by the "Management Measures for Declaration of Conflicts of Interest" which was developed to strengthen the supervision and management of incompatible positions, existing or potential conflicts of interest among personnel or positions, and the integrity of other key personnel. In addition, the measures requires all departments to accept all kinds of reports against fraud and business bribery, and to exercise the supervisory duties in project review.

During the Reporting Period, the Group did not identify any case in any form for declaring conflicts of interest.

(v) ***Whistleblowing policy***

The Group encourages employees and business associates to report and expose fraudulent and corrupt behaviour and provides an email address for such whistleblowing. The Group strictly maintains confidentiality of the entire whistleblowing process, from the stage of receiving through investigation. Information related to the whistleblower's identity or situation of the whistleblowing case is prohibited from disclosure to the reported person or the related department. Also, the Group prevents the lending of whistleblowing related materials to external parties. The nature of the whistleblowing case, investigation results, and outcomes of handling must be reported to the Audit Committee.

(vi) ***Confidentiality of information***

For those employees who need to access sensitive information, the Group prohibits them from revealing the sensitive information in any form to irrelevant persons. Sensitive information generally includes, but are not limited to, names of candidate suppliers, supplier selection criteria, names of contracted suppliers, procurement proportion, procurement amount, prices, and payment terms, etc.

The relevant departments shall ensure that sensitive information is kept confidential at all times, and prohibit employees to take confidential documents away from the Group's premises. Moreover, employees are forbidden to discuss relevant confidential matters in public areas.

(vii) ***Anti-corruption related training***

For assuring employees at all levels understand and clearly fulfill the above-mentioned policies related to anti-corruption, the Group arranges training from time to time for employees who implement the relevant policies, thus the training covered both Board members and general staff.

In the Year, training for general employees aimed to strengthen their awareness on integrity practices. In addition, based on the roles and authorities of the Directors with the integration of practical work scenarios, the Group aimed to instill employees with working principles of integrity practices and legal compliance. In the Year, the Group has arranged trainings related to anti-corruption themes for both Directors and general staff:

- Learning from cases: Upholding the bottom line of integrity in professional practice
- Understanding common money-laundering methods and an analysis of the new "Anti-Money Laundering Law"
- Typical cases of unfair competition
- Detailed Rules for the Integrity-Based Professional Practice of Fund Operating Institutions and Their Staff

# Environmental, Social and Governance Report

During the Reporting Period, there were a total of 40 training participants including both Directors and general staff closely related to integrity practices, who were trained up to 183 hours in total.

	Directors	Non-director employees	Total
Number of trainees	8	32	40
Hours of training	23	160	183

## (viii) Internal control system

The Group has set up risk control department to investigate suspicious signs of bribery/corruption, and to explore strategies and measures for prevention of business bribery. In addition, the Group engages independent non-executive Directors to supervise the corporate governance of the Group.

Moreover, for evaluation of internal control, the Group reviews the following key issues for prevention of fraud:

- (1) feasibility of the Company's objectives ;
- (2) scientificity of internal control awareness and attitude ;
- (3) rationality and effectiveness of the employee's code of conduct ;
- (4) appropriateness of the system for authorisation of business activities ;
- (5) effectiveness of the risk management mechanism ;
- (6) effectiveness of the information system implementation.

During the Reporting Period, the Group did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering.

## 6.2.8 Community Investment

The Group actively participates in public welfare initiatives in the communities where it operates, fulfilling its corporate social responsibility through concrete actions and promoting community harmony and sustainable development. During the Year, the Group's employees took part in the "Smurf Intersection Duty Volunteers" community service activity organised by the subdistrict office, supporting community traffic order and residents' safety through volunteer service. The Group will continue to pay close attention to the needs of the communities in which it operates and encourage employees to give back to society through action, fostering the shared development of the Group and the community

# Environmental, Social and Governance Report

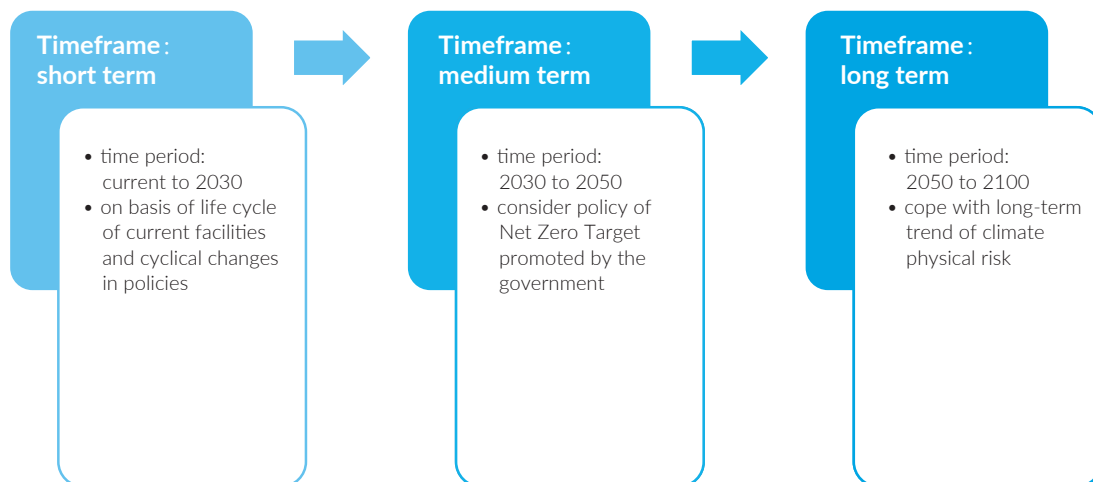
## 7. CLIMATE DISCLOSURES

### 7.1 Climate Strategy

The Group believes that climate change is a critical issue that may have current and anticipated short-, medium- and long-term effects on the Group's business model and value chain. These effects may arise through (i) climate-related physical risks that may disrupt the Group's operations and service delivery and affect the performance and valuation of assets across the Group's investment activities, and (ii) climate-related transition risks that may influence strategic decision-making, client expectations and financial performance. Accordingly, the Group are committed to conducting scenario analyses across different time horizons, identifying and assessing climate-related physical risks, monitoring and evaluating potential impacts on the Group, and developing and implementing specific mitigation and adaptation measures and strategies to reduce negative impacts on the Group. The Group conducted climate-related scenario analysis based on two scenarios and three time horizons to identify physical risks and transition risks (as further described in Section 7.1.3). Physical risks include acute and chronic risks, which may affect the Group's operations immediately and over the longer term under extreme weather events and climate change, respectively. Transition risks include regulatory, technological, market and reputational risks arising from the implementation of strict climate regulations and laws. Climate-related risks and opportunities may arise across the Group's business model and value chain, including in the Group's investment and asset management activities (e.g. asset selection and valuation), the performance of the investment portfolio and investees, upstream service providers and outsourced services supporting operations, and downstream relationships with clients and other stakeholders.

#### 7.1.1 Time Horizon

Based on the nature of the industry and the Group's climate objectives, we define the applicable time horizons to assess climate-related risks, set targets and make strategic decisions, ensuring that the selected time horizons align with our comprehensive climate adaptation measures and direction. The time horizons are defined as follows:



# Environmental, Social and Governance Report

## 7.1.2 Risk Identification

With reference to the HKEX reporting framework and extensive peer benchmarking, the Group regularly conducts assessments of climate-related risks by detailed risk type. On this basis, and taking into account the Group's business conditions and development strategy as well as the focus areas of internal and external stakeholders, we analysed the short-, medium- and long-term implications of each risk type.

Climate-related risks are categorised into two broad groups: risks related to the transition to a low-carbon economy and risks related to the physical impacts of climate change, as shown below:

### Transition Risks

- Policy and Legal
- Technology
- Market
- Reputation

### Physical Risks

- Acute
- Chronic

## 7.1.3 Climate Scenarios

The Group has conducted climate-related scenario analysis during the Reporting Period by using the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report Shared Socioeconomic Pathways ("SSPs") and the International Energy Agency ("IEA") Global Energy and Climate Model ("GEC Model") to analyse physical risks and transition risks, respectively, and to assess climate resilience. The scenario analysis evaluates the Group's climate adaptation capability and helps us understand how climate change may alter the Group's financial position and business activities, so that we can identify climate vulnerabilities and develop specific response measures and strategies to enhance the resilience of our business model and value chain.

### Conduct climate change scenario analysis

- Define two climate scenarios: low-emissions and high-emissions
- Conduct analysis using publicly available scenario models
- Derive quantitative and qualitative parameters under each scenario

### Assess the timeframe and extent of climate change impacts on the Company's operations

- Based on scenario analysis results, and considering the business characteristics and geographic locations of the Group and its member companies, assess the short-, medium- and long-term impacts of climate-related risks and opportunities

### *Principles for Scenario Analysis*

To more accurately assess climate-related physical and transition risks, the Group adopts a multi-scenario analysis framework to forward-look the potential risks in the Group's principal operating regions under global temperature pathways of 1.5°C and 3°C. The assessment covers short-term (2030), medium-term (2050) and long-term (2100) horizons.

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For physical risk assessment, we selected the following representative IPCC Shared Socioeconomic Pathways (SSPs) scenarios:

- SSP1-2.6: represents an ambitious emissions-reduction pathway that is highly aligned with the Paris Agreement 1.5°C temperature goal and reflects a sustainable development trajectory;
- SSP3-7.0: represents a high greenhouse gas emissions scenario characterised by intensifying regional competition, corresponding to severe physical risks under higher warming (close to 3°C or above).

For transition risk assessment, we mainly reference two core scenarios from the International Energy Agency (“IEA”) Global Energy and Climate Outlook:

- Net Zero Emissions by 2050 Scenario (NZE): outlines potential pathways for achieving global net-zero emissions by 2050 and the profound implications for energy, finance and industry, which are highly aligned with the Group’s climate transition plan and decarbonisation commitments;
- Stated Policies Scenario (STEPS): reflects the expected outcomes under currently implemented and announced policies, used to assess the potential degree of transition-risk exposure under the Group’s existing policy environment and business conditions.

The selection of the above scenarios ensures that the risk assessment results remain highly aligned with the Group’s business planning, strategic direction, climate transition plan and publicly disclosed medium- to long-term decarbonisation targets. This provides a sound and robust analytical basis for developing targeted climate adaptation and mitigation strategies.

	Low-emissions scenario	High-emissions scenario
Scenario definition	Ambitious climate action limits global warming to 1.5°C or well below 2°C, achieving carbon neutrality (net-zero emissions) by 2050.	Global climate policies largely stall; the economy remains highly dependent on fossil fuels; clean-technology development falls far behind; greenhouse gas emissions stay elevated; and warming exceeds 3°C by the end of this century.
Rationale for selection	<p>Achieves net-zero greenhouse gas emissions by 2050 and limits temperature rise to within 1.5°C above pre-industrial levels by 2100.</p> <p>We selected this scenario to assess the impacts of ambitious climate actions undertaken to achieve the Paris Agreement goal of 1.5°C or well below 2°C. Under this scenario, we place greater emphasis on transition risks.</p>	<p>Maintains greenhouse gas emissions at a stable level by 2050, with emissions reduced by 2100, and temperature rise exceeding 3°C.</p> <p>As a worst-case stress test, this scenario is used to assess the maximum potential impacts of extreme physical risks on the Group’s portfolio, supply chain and operating locations when international cooperation breaks down and transition efforts stall, ensuring the Group remains resilient under the most severe conditions.</p>

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	Low-emissions scenario	High-emissions scenario
Scenario narrative	The world recognises the severity of climate change. Countries strengthen climate actions and promptly implement stringent policy measures to reduce emissions, aiming to limit end-of-century warming to 1.5°C or well below 2°C. Technological progress and rising awareness accelerate the transition to low-carbon and energy-efficient pathways, while markets shift toward more climate-friendly production and consumption. Pressure from civil society and consumers on corporate climate actions also increases.	International climate agreements fail, and countries restart coal, oil and gas extraction; carbon pricing and emissions-reduction policies are repealed. Technological innovation diverges from low-carbon pathways, while population and resource demand surge. Extreme weather, sea-level rise and ecosystem collapse become frequent, posing significant physical risks to the Group's Asia-Pacific operating base and investment portfolio.
Key references	<p>IPCC SSP1-2.6: strong global climate policies and technological innovation, with clean energy as the dominant source, achieving a temperature goal of 1.5°C or well below 2°C.</p> <p>IEA NZE: rapid decarbonisation of the energy system, relying on renewables, electrification and technological breakthroughs, supported by strong international policies. The world achieves carbon neutrality by 2050.</p>	<p>IPCC SSP3-7.0: climate policies largely stall; the economy remains highly dependent on fossil fuels; greenhouse gas emissions stay elevated; end-of-century warming exceeds 3°C; and risks of extreme climate events, sea-level rise and ecosystem collapse are very high.</p> <p>IEA STEPS: with newly introduced climate policies, emissions remain stable or decline slightly by 2050 but fall far short of the net-zero goal. Global warming trends toward 3°C or higher, intensifying physical risks.</p>

## 7.1.4 Climate Resilience

The Group's management has identified and prioritised climate-related risks. Based on the selected scenarios, we assessed the magnitude and time horizon of impacts through a questionnaire survey. Differences in the survey results may arise from variations in management's awareness of climate issues and differences in professional judgment. To address this, the Group will continue to strengthen climate awareness among management and employees.

Through discussions on climate scenarios, the Group identified climate-related risks across the dimensions of transition risk and physical risk. We analysed these risks and their potential impacts on the Group's operations over the short term (1–3 years), medium term (3–5 years) and long term (5–10 years). We have developed targeted adaptation and mitigation measures for each specific risk. The table below summarises the survey results.

# Environmental, Social and Governance Report

## Climate-related Risks

Risk Type	Risk	Scenario	Time Horizon			Potential Financial Impacts	Mitigation/Adaptation Measures
			Short term	Medium term	Long term		
<b>Climate-related Transition Risks</b>							
Policy and Legal	Rising carbon prices	1.5°C 3°C	Low Low	Medium Low	Medium Low	<ul style="list-style-type: none"> <li>Increased compliance costs and asset valuation adjustments, resulting in higher tax burdens and lower investment returns.</li> </ul>	<ul style="list-style-type: none"> <li>Replace diesel vehicles with electric vehicles, implement local and green procurement, and drive emissions reductions through supplier evaluation and engagement, directly reducing Scope 1 emissions and effectively mitigating future carbon tax burdens.</li> </ul>
	Increasing regulatory and industry requirements to calculate greenhouse gas emissions across the value chain	1.5°C 3°C	Low Low	Low Low	Low Low		

# Environmental, Social and Governance Report

Risk Type	Risk	Scenario	Time Horizon			Potential Financial Impacts	Mitigation/Adaptation Measures
			Short term	Medium term	Long term		
	Transition to low-carbon footprint/ low-emission technologies	1.5°C 3°C	Low Low	Low Low	Low Low	<ul style="list-style-type: none"> <li>Adjustments to investment strategy and a shift toward green assets may result in transaction costs and opportunity losses.</li> </ul>	<ul style="list-style-type: none"> <li>Invest in sustainable technologies and business models, and collaborate with investors and clients to launch green financial products – shifting from passive divestment to proactive opportunities and increasing the share of green AUM.</li> </ul>
Technology	Replacement of existing products and services with lower-emission products and services	1.5°C 3°C	Low Low	Medium Low	Medium Low	<ul style="list-style-type: none"> <li>Failure to transition the held commercial real estate, distressed assets, and urban renewal projects to low-emission green buildings will lead to declining property values, increased fundraising difficulty, discounted exit sale prices, and reduced rental income, thereby affecting the overall revenue base and investment returns.</li> </ul>	<ul style="list-style-type: none"> <li>Actively guides its funds toward low-carbon green asset transformation by strengthening corporate governance, supply chain environmental risk management, and the sustainable investment framework.</li> </ul>
	Costs of transitioning to lower-emission technologies	1.5°C 3°C	Low Low	Medium Low	Medium Low	<ul style="list-style-type: none"> <li>Increased capital expenditure on research and development and the adoption of new tools, such as AI climate simulation software.</li> </ul>	<ul style="list-style-type: none"> <li>Investing in sustainable technology research and development, providing employees with sustainability trainings, developing internal climate analysis capabilities, reducing long-term reliance on outsourcing, and improving return on investment.</li> </ul>

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Risk Type	Risk	Scenario	Time Horizon			Potential Financial Impacts	Mitigation/Adaptation Measures
			Short term	Medium term	Long term		
Market	Changing customer behaviour	1.5°C	Low	Medium	Medium	<ul style="list-style-type: none"> <li>Consumers may prefer green funds, which could reduce interest in traditional real estate funds, leading to smaller fundraising scale and impacting the Company's profitability.</li> </ul>	<ul style="list-style-type: none"> <li>Promote sustainable practices in operations and maintain regular communication with investors and clients on climate actions to enhance ESG brand attractiveness and effectively reduce customer attrition.</li> </ul>
		3°C	Low	Low	Low		
	Increasing raw material prices	1.5°C	Low	Medium	Medium	<ul style="list-style-type: none"> <li>Rising supply chain costs affect the profitability and valuation of investment targets.</li> </ul>	<ul style="list-style-type: none"> <li>Support local and green procurements, reduce carbon emissions in value chain through supplier participation, and stabilize the cost and profitability of investments.</li> </ul>
		3°C	Low	Low	Low		
Reputation	Increased stakeholder attention or negative stakeholder feedback	1.5°C 3°C	Low Low	Medium Low	Medium Low	<ul style="list-style-type: none"> <li>Shareholder/investor divestment or litigation, harming brand value and increasing financing costs.</li> </ul>	<ul style="list-style-type: none"> <li>Track and disclose climate performance; optimise reporting processes and engage external professional advisers to ensure accuracy; and communicate regularly with stakeholders to improve ESG ratings and avoid divestment and share-price pressure.</li> </ul>

# Environmental, Social and Governance Report

Risk Type	Risk	Scenario	Time Horizon			Potential Financial Impacts	Mitigation/Adaptation Measures
			Short term	Medium term	Long term		
<b>Climate-related Physical Risks</b>							
Acute	Occurrence of extreme weather events	1.5°C	Low	Low	Low	<ul style="list-style-type: none"> <li>Asset damage, operational disruptions and increased insurance costs result in direct economic losses.</li> </ul>	<ul style="list-style-type: none"> <li>Develop emergency response plans, implement special working arrangements in typhoon and high-temperature warnings, and conduct regular evacuation drills to ensure business continuity and significantly reduce losses and insurance costs.</li> </ul>
		3°C	Low	Low	Low		
Chronic	Rising average temperature	1.5°C 3°C	Low Low	Low Low	Low Low	<ul style="list-style-type: none"> <li>Chronic evolutionary process such as sea-level rise and drought lead to asset depreciation and relocation costs.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate climate risk into financial planning, stress testing and scenario analysis, and conduct vulnerability assessments of geographical locations, to proactively reduce exposure to high-risk assets and protect long-term portfolio value.</li> </ul>

# Environmental, Social and Governance Report

## ***Limitations***

For FY2025, the Group referred to the HKEX ESG Reporting Code and IFRS S2 requirements, and integrated international climate regulations (such as China's "30-60" carbon neutrality targets), industry practices and the latest scientific research to develop the climate disclosure framework. However, scenario analysis has inherent limitations: it cannot comprehensively capture all potential climate-related risks and opportunities, and the results are affected by data quality, the accuracy of assumptions and technical constraints. We will continue to monitor emerging risks, refine our analytical process, and welcome stakeholders' valuable feedback to enhance the accuracy and reliability of future disclosures.

## ***Future Improvements***

The Group is at an early stage of climate-related disclosures. This Report has not yet provided a quantitative assessment of the financial impacts of climate-related risks (such as typhoon impacts and carbon tax burdens) and opportunities (such as the expansion of the solar industry) over the short, medium and long term. Going forward, we will strengthen our scenario analysis capabilities and progressively introduce quantitative models to assess the magnitude and likelihood of potential financial impacts. In addition, we will explore the flexibility of financial resources and develop response strategies for the key impacts identified through the analysis. On this basis, we will formulate a comprehensive climate transition plan to enhance the Group's climate adaptation and resilience, ensuring the sustainable development of our business.

## ***Climate-related Opportunities***

Despite the challenges, the Group also actively identifies long-term opportunities arising from climate change. As the global low-carbon transition accelerates and investors' demand for sustainable investments continues to grow, there is a strong market trend toward asset allocation that is climate-resilient and aligned with net-zero pathways. We closely monitor the investment value in renewable energy, clean technologies, green financial instruments, and industry leaders with strong environmental performance. In our investment decision-making process, we incorporate climate-related factors comprehensively into our evaluation framework and, while keeping risks under control, appropriately capture opportunities for enhanced long-term returns in climate mitigation and adaptation.

At the same time, the Group has observed a gradual increase in clients' attention to climate-related issues. Looking ahead, we will expand our product offerings and service content in a timely manner in line with market dynamics and client needs – for example, by launching more green investment products or ESG-integrated strategies – to better respond to sustainable investment trends and achieve a balanced approach between long-term, stable asset appreciation and climate-related opportunities.

# Environmental, Social and Governance Report

## ***Current Financial Impacts***

The Group has translated the scenario analysis results into sensitivity tests on key economic variables to assess the potential impacts of climate-related risks and opportunities on our financial position. For FY2025, after a comprehensive assessment, we confirmed that climate-related risks (including floods, typhoons, carbon taxes or rising carbon pricing mechanisms) and opportunities (such as the transition to renewable energy and growing demand for green financial products) have not had a material current impact on the Group's financial position, operating results or cash flows.

During the Reporting Period, the Group's total energy consumption decreased compared with the prior year, and Scope 2 greenhouse gas emissions decreased by approximately 49%. However, the above improvements were mainly attributable to optimisation of the business structure and enhanced operational efficiency, rather than being directly triggered by climate events. Accordingly, they did not result in asset impairment, additional capital expenditure or volatility in revenue. The Group also recorded no material asset losses due to extreme weather events, and did not realise significant gains in the current period from green technologies or sustainable investment projects. The Group will continue to closely monitor the impacts of climate factors on financial performance and is committed to progressively introducing more refined quantitative disclosures in future reports. Should any material financial impacts arise, we will make timely disclosures in accordance with regulatory requirements.

## ***Anticipated Financial Impacts***

The Group has carried out multi-scenario analysis and made an initial attempt to map physical and transition risks to financial impacts. However, due to uncertainty in external scenario parameters (including policy pathways, technology cost curves and variability in regional climate projections), the granularity of internal data, and the current maturity of our models, we believe that, at this stage, we do not have a sufficiently robust basis to provide specific quantitative forecasts or ranges for future financial impacts.

Accordingly, this Report does not disclose quantified anticipated financial impacts of climate-related risks and opportunities on profit or loss, the balance sheet, cash flows or capital requirements over the medium and long term.

The Group will adopt a prudent and progressive approach to continuously improve our methodology, with a focus on:

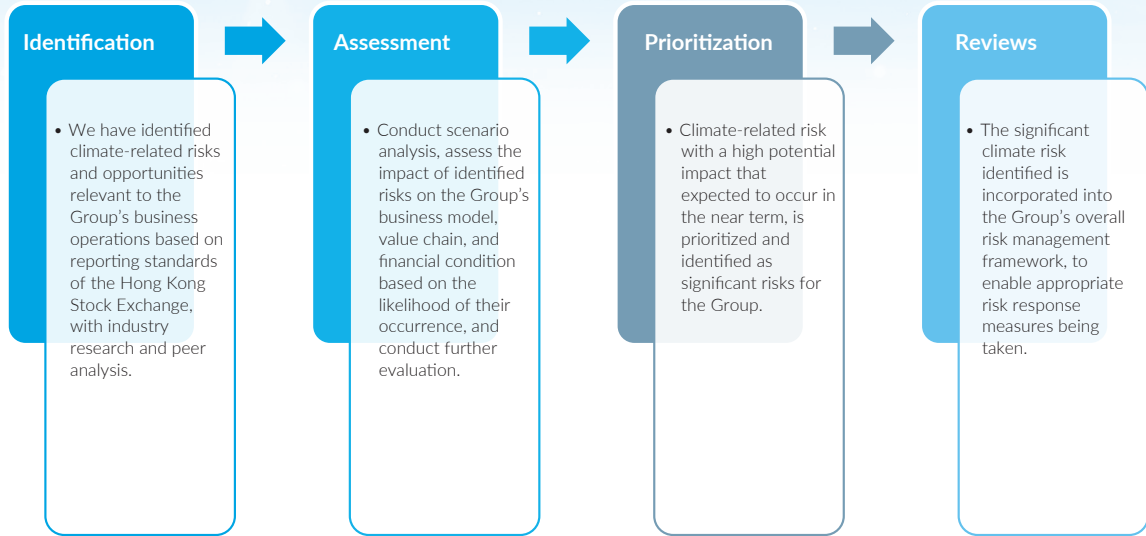
- further strengthening correlation analysis between historical loss data and climate events;
- enhancing model benchmarking with international peers and professional institutions; and
- introducing quantitative results in an orderly manner once internal and external conditions become more mature and uncertainties in key assumptions are significantly reduced.

We are committed to maintaining the highest standards of transparency and prudence. Once we have a reliable and verifiable quantitative basis, we will disclose the relevant anticipated financial impacts in subsequent reports in a timely manner. At this stage, we continue to focus primarily on qualitative analysis and treat climate-related uncertainty as a key consideration in strategic planning and risk management.

# Environmental, Social and Governance Report

## 7.2 Climate Risk Management

The Group established a comprehensive risk management framework to regularly monitor, control, and review climate-related risks. Such analysis is conducted annually, and the results are reported to the Board and the ESG working group for review. During the Reporting Period, we have identified three transition risks and physical risk that have a potentially significant impact on our business. The ESG working group adopts the following methods to manage climate-related risks.



## 7.3 Climate Indicators and Targets

The Group has established various climate indicators and targets for GHG emissions, energy consumption, water management and renewable energy generation in order to effectively track the performance of climate-related risks and opportunities and monitor the progress in managing such risks and opportunities. This helps the Group align with international climate goals and contribute to the transition to a low-carbon economy.

# Environmental, Social and Governance Report

## 7.3.1 Targets

We have set carbon reduction and energy-saving targets to be achieved on or before FY2030, using FY2024 as the baseline. These targets apply to the Group in its entirety, covering all business units and geographic regions included within the scope of this report. We have developed corresponding management strategies to achieve the carbon reduction targets. To demonstrate our commitment to transitioning to a low-carbon economy, we will progressively reduce greenhouse gas emissions of the Group and contribute to the global effort to limit temperature rise to below 1.5°C.

### Greenhouse gas management targets (Scope 1 and Scope 2)

	Unit Value	10-year target* Percentage	Progress in 2025
<b>Total greenhouse gas emission</b>	<b>28.62 tCO<sub>2</sub>e</b>	<b>decreased by 30%</b>	decreased by 49%
<b>Greenhouse gas emission intensity</b>	<b>0.39 tCO<sub>2</sub>e/person</b>	<b>decreased by 50%</b>	decreased by 65%

Note :

\* Base year(2024) : 40.89 tCO<sub>2</sub>e, 0.78 tCO<sub>2</sub>e/person

## 7.3.2 Indicators

### GHG Emission

The Group actively responds to the national strategy for developing a low-carbon economy and has formulated the 'Carbon Emissions Management Policy'. Through identifying sources of carbon emissions, calculating emissions, setting emissions-reduction targets and regularly evaluating effectiveness, the Group systematically manages greenhouse gas emissions. In the quantification process, the Group makes reference to internationally recognised standards under the Greenhouse Gas Protocol to ensure the accuracy and reliability of the data. In addition, given that data collection for Scope 3 calculations involves upstream and downstream activities across a broad value chain and requires the cooperation of stakeholders such as suppliers, customers and tenants, the Group considers it appropriate to apply reasonable data relief/exemptions. The Group's greenhouse gas emissions are calculated as follows:



**Total GHG  
emission<sup>5</sup>**  
**21.04**  
tonnes  
carbon dioxide  
equivalent

**Direct GHG  
emission<sup>6</sup>  
(Scope 1)**  
**0.00**  
tonnes  
carbon dioxide  
equivalent



**Energy Indirect  
GHG emission<sup>7</sup>  
(Scope 2)**  
**21.04**  
tonnes  
carbon dioxide  
equivalent

**GHG emission  
intensity<sup>8</sup> per capita**  
**0.27**  
tonnes carbon dioxide  
equivalent/person

<sup>5</sup> Global Warming Potential (GWP) adopted in this GHG calculation were based on the values disclosed in the Sixth Assessment Report (AR6) of Intergovernmental Panel on Climate Change (IPCC).

<sup>6</sup> Direct GHG emission (Scope 1) was originated from gasoline consumption by vehicles. Method of calculation was based on "2006 IPCC Guide lines for National Greenhouse Gas Inventories".

<sup>7</sup> Energy indirect GHG emissions (Scope 2) are indirect emissions in the PRC from purchased electricity, calculated using the latest Chinese power grid emission factors published by the Ministry of Ecology and Environment of the People's Republic of China (Ministry of Ecology and Environment).

<sup>8</sup> The base unit for calculating GHG emission intensity is the monthly average number of employees in the Reporting Period.

# Environmental, Social and Governance Report

Compared with 2024, changes in the Group's greenhouse gas emissions in 2025 were mainly attributable to adjustments in business operations and optimisation of energy-use patterns. Following the full transition to new energy vehicles during the Year, Scope 1 greenhouse gas emissions decreased from 2.58 tonnes of CO<sub>2</sub>e to zero, representing a 100% reduction and reflecting the Group's significant progress in transportation energy management. Scope 2 greenhouse gas emissions decreased from 40.89 tonnes of CO<sub>2</sub>e to 21.04 tonnes, representing a reduction of approximately 49%, mainly due to the suspension of electricity supply to unused server room equipment, as well as a reduction in overall electricity consumption through downsizing office space and optimising space layout.

The Group will continue to monitor energy use and carbon emissions, and will reduce the environmental impact of its operations by improving energy efficiency and promoting energy-saving measures.

	Unit	2025	2024
Direct GHG Emission (Scope 1)	tonnes carbon dioxide equivalent	<b>0.00</b>	2.58
Energy Indirect GHG Emission (Scope 2)	tonnes carbon dioxide equivalent	<b>21.04</b>	40.89
<b>Total GHG Emission</b>	<b>tonnes carbon dioxide equivalent</b>	<b>21.04</b>	43.47
<b>GHG Emission Intensity<sup>9</sup> per capita</b>	<b>tonnes carbon dioxide equivalent/person</b>	<b>0.27</b>	0.78

#### *Assets that are vulnerable to climate-related transitions and physical risks*

During the Reporting Period, the Group conducted transition and physical risk assessments. The results indicated that none of the Group's assets were subject to material climate-related transition or physical risks in terms of proportion or amount.

#### *Business activities involving climate-related opportunities*

The Group regularly uses revenue as an indicator and categorises products into two types – “green” and “general” – based on their nature, in order to assess the applicability of disclosure on revenue from green products. During the Reporting Period, following the assessment, such disclosure was deemed not applicable.

#### *Capital Use*

During the Reporting Period, the Group did not incur any climate-related capital expenditure or obtain climate-related financing.

#### *Internal Carbon Pricing*

The Group is actively exploring the application of an internal carbon pricing mechanism to support the financial assessment of climate-related risks and opportunities and to facilitate the transition to a low-carbon economy.

#### *Remuneration*

The Group is actively considering incorporating climate-related performance into its remuneration policies to incentivise management and employees to advance sustainable development objectives.

<sup>9</sup> GHG emission intensity per capita was calculated on the basis of monthly average number of employees in the Reporting Year.

# Environmental, Social and Governance Report

## APPENDIX 1: HKEX ESG REPORTING CODE INDEX TABLE – “ENVIRONMENTAL” AREA

Environmental, Social and Governance Reporting Code	Description	Section of this Report
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on :  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6.1.3 Emission
KPI A1.1	The types of emissions and respective emissions data.	There are no major emission sources within the scope of this Report, and vehicle driving is not its main business, so there is no data for such pollutant emission.
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1.3 (i) Control of solid wastes
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1.3 (i) Control of solid wastes
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.1.1 Environment and Natural Resources
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.1.3 (i) Control of solid wastes 6.1.1 Environment and Natural Resources

# Environmental, Social and Governance Report

## Environmental, Social and Governance Reporting Code

## Description

## Section of this Report

### Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.1.2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.1.2 (i) Statistics of Resource Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.1.2 (i) Statistics of Resource Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.1.2 (ii) Energy conservation measures 6.1.1 Environment and Natural Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	6.1.2 (iii) Water conservation measures 6.1.1 Environment and Natural Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.1.2 (i) Statistics of Resource Consumption

### Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6.1.1 Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.1.1 Environment and Natural Resources

### Aspect A4: Climate Change

General Disclosure	Repealed 1 January 2025
KPI A4.1	Repealed 1 January 2025

# Environmental, Social and Governance Report

## APPENDIX 2: HKEX ESG REPORTING CODE INDEX TABLE – “SOCIAL” AREA

Environmental, Social and Governance Reporting Code	Description	Section of this Report
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.2.1 Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	6.2.1 (iii) Statistical information related to employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	6.2.1 (iii) Statistical information related to employment
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to providing a safe working environment and protecting employees from occupational hazards.	6.2.2 Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	6.2.2 (iv) Performance on occupational health and safety
KPI B2.2	Lost days due to work injury.	6.2.2 (iv) Performance on occupational health and safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.2.2 (i) Workplace management 6.2.2 (ii) Employee training 6.2.2 (iii) Caring of employee health

# Environmental, Social and Governance Report

## Environmental, Social and Governance Reporting Code

## Description

## Section of this Report

### Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.2.3 Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2.3 (ii) Employee training performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	6.2.3 (ii) Employee training performance
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labour.	6.2.4 Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.2.4 (i) Prohibition of child labour 6.2.4 (ii) Prohibition of forced labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.2.4 (iii) Handling of non-compliance

# Environmental, Social and Governance Report

## Environmental, Social and Governance

Reporting Code	Description	Section of this Report
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.2.5 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	6.2.5 (i) Supplier distribution
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.2.5 (ii) Supplier evaluation and screening
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.2.5 (iii) Management of environmental and social risks in supply chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.2.5 (iv) Green procurement
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6.2.6 Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.2.6 (iii) Product recall procedure
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	6.2.6 (iv) Handling of customer complaints
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.2.6 (vii) Information security management
KPI B6.4	Description of quality assurance process and recall procedures.	6.2.6 (ii) Quality management 6.2.6 (iii) Product recall procedure
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.2.6 (vii) Information security management 6.2.6 (viii) Maintenance of customer information

# Environmental, Social and Governance Report

## Environmental, Social and Governance Reporting Code

### Aspect B7: Anti-corruption

Reporting Code	Description	Section of this Report
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	6.2.7 Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	6.2.7 (i) Anti-business bribery policy
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	6.2.7 (ii) Anti-money laundering policy 6.2.7 (iii) Principle of fair procurement 6.2.7 (iv) Declaration for conflict of interest 6.2.7 (v) Whistleblowing policy 6.2.7 (vi) Confidentiality of information 6.2.7 (viii) Internal control system
KPI B7.3	Description of anti-corruption training provided to directors and staff.	6.2.7 (vii) Anti-corruption related training
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.2.8 Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.2.8 Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.2.8 Community Investment

# Environmental, Social and Governance Report

## APPENDIX 3: INDEX TABLE OF CONTENTS OF HKEX'S ESG REPORTING CODE – “CLIMATE-RELATED DISCLOSURES”

	Description	Section of this Report
<b>(I)</b>	<b>Governance</b>	
19	The issuer must disclose information regarding the following:	
	(a) Information on the governance body (which may include the Board, committee, or other equivalent governance body) or individual responsible for overseeing climate-related risks and opportunities. Specifically, issuers must identify the relevant body or individual and disclose the following information:	3. Board's governance on environmental, social and governance topics
	(i) How the body or individual determines whether they have the appropriate skills and competencies to oversee strategies related to climate-related risks and opportunities;	
	(ii) How and how often the body or individual is informed about climate-related risks and opportunities;	
	(iii) How the institution or individual considers climate-related risks and opportunities into account in overseeing the issuer's strategies, significant transaction decisions, and risk management processes, including whether the body or individual considers trade-offs associated with climate-related risks and opportunities;	
	(iv) How the body or individual oversees the setting of targets related to climate-related risks and opportunities and monitors progress toward those targets (see paragraphs 37–40), including whether and how relevant performance indicators are incorporated into compensation policies (see paragraph 35); and	
	(b) The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including:	3. Board's governance on environmental, social and governance topics
	(i) Whether this role is entrusted to specific management personnel or a management-level committee and how that individual or committee is supervised; and	
	(ii) Whether and how management uses controls and procedures to assist in overseeing climate-related risks and opportunities, and how these are integrated with other internal functions.	

# Environmental, Social and Governance Report

	Description	Section of this Report
<b>(II)</b>	<b>Strategy</b>	
	Climate-related risks and opportunities	
20	Issuers must disclose information to make it clear what climate-related risks and opportunities they reasonably anticipate could affect their cash flows, access to financing, or cost of capital in the short, medium, or long term. Specifically, issuers must:	7.1 Climate strategy
	(a) Describe the climate-related risks and opportunities that are reasonably expected to impact the issuer's cash flows, financing channels, or capital costs in the short, medium, or long term;	7.1. Climate strategy
	(b) Explain whether the identified climate-related risks are physical risks or transition risks;	7.1. Climate strategy
	(c) Provide specifics on the reasonable expectations regarding the time horizon (short, medium, or long term) for each identified climate-related risk and opportunity; and	7.1. Climate strategy
	(d) Explain how the issuer defines short-term, medium-term, and long-term, and how these definitions are linked to the scope of its strategic decisions.	7.1. Climate strategy
	Business model and value chain	
21	Issuers must disclose information that helps understand the current and expected impacts of climate-related risks and opportunities on their business model and value chain. Specifically, issuers must disclose:	7.1. Climate strategy
	(a) Describe the current and expected impacts of climate-related risks and opportunities on the issuer's business model and value chain; and	7.1. Climate strategy
	(b) Describe where climate-related risks and opportunities are concentrated in the issuer's business model and value chain (e.g., geographic regions, facilities and asset types).	7.1. Climate strategy

# Environmental, Social and Governance Report

Description	Section of this Report
Strategy and Decision making	
22 Issuers must disclose information that enables them to understand the impact of climate-related risks and opportunities on their strategies and decisions. Specifically, issuers must disclose:	7.1. Climate strategy
(a) Information regarding how the issuer plans to address climate-related risks and opportunities in their strategies and decision-making, including how the issuer plans to achieve any climate-related targets set and any legally or regulatory mandated targets. Specifically, issuers must disclose the following information:	7.1. Climate strategy
(i) Changes to the issuer's business model (including resource allocation) in response to climate-related risks and opportunities, both now and in the future;	
(ii) Any adaptation or mitigation work that has been or is expected to be carried out (directly or indirectly);	
(iii) Any climate-related transition plans of the issuer (including information on the key assumptions used in developing the transition plans and the factors on which the plans are based), or, if the issuer does not have such plans, an appropriate negative statement;	
(iv) How the issuer plans to achieve any climate-related targets described in paragraphs 37 to 40 (including any greenhouse gas emission targets, if any); and	
(b) Information on how the issuer plans to provide resources for actions disclosed under paragraph 22(a).	7.1. Climate strategy
23 The issuer must disclose the progress of the plans disclosed in paragraph 22(a) for each previous reporting period.	
Financial Condition, Financial Performance, and Cash Flow	7.1. Climate strategy
Current Financial Impact	7.1. Climate strategy
24 The issuer must disclose the following qualitative and quantitative information:	
(a) How climate-related risks and opportunities affected the issuer's financial position, financial performance and cash flows during the Reporting Period; and	7.1. Climate strategy
(b) Information regarding the climate-related risks and opportunities identified in paragraph 24(a) when there is a significant risk that would lead to a material adjustment of the carrying amounts of assets and liabilities in the relevant financial statements for the next reporting year.	7.1. Climate strategy

# Environmental, Social and Governance Report

Description	Section of this Report
Expected Financial Impact	
25 The issuer must disclose the following qualitative and quantitative information:	
(a) After considering their strategies for managing climate-related risks and opportunities, and considering the following, how the issuer expects its financial condition to change in the short, medium, and long term:	7.1. Climate strategy
(i) its investment and disposal plans; and	
(ii) its planned sources of funding for implementing the strategy; and	
(b) How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	7.1. Climate strategy
Climate Resilience	
26 After considering the climate-related risks and opportunities identified by the issuer, the issuer must disclose information to enable others to understand the resilience of its strategies and business model to climate-related changes, developments, or uncertainties. The issuer must use climate-related scenario analysis to assess its climate resilience in a manner appropriate to its circumstances. When providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer must disclose:	7.1. Climate strategy
(a) The issuer's assessment of its climate resilience as of the reporting date, which aids to understand:	7.1. Climate strategy
(i) The impact of the analysis results on the issuer's strategy and business model, including how the issuer will respond to the impacts identified in climate-related scenario analyses;	
(ii) The scope of significant uncertainties considered in the issuer's assessment of climate resilience; and	
(iii) The issuer's ability to adjust its short, medium, and long-term strategies and business model based on climate developments.	

# Environmental, Social and Governance Report

Description	Section of this Report
(b) How and when climate-related scenario analysis is to be conducted, including:	7.1. Climate strategy
(i) The input data used includes:	
(1) Climate-related scenarios and their sources used in the analysis by the issuer;	
(2) Whether the analysis covers multiple different climate-related scenarios;	
(3) Whether the climate-related scenarios used in the analysis relate to climate-related transition risks or climate-related physical risks;	
(4) Whether the issuer has used scenarios that align with the latest international agreements on climate change in its analysis;	
(5) Why the issuer considers the selected climate-related scenarios as relevant to assessing resilience against climate-related changes, developments, or uncertainties;	
(6) The time frame used in the analysis by the issuer; and	
(7) The scope of operations covered in the analysis (e.g., the locations and business units involved in the analysis);	
(ii) Key assumptions made by the issuer in the analysis; and	7.1. Climate strategy
(iii) The Reporting Period for conducting climate-related scenario analysis.	7.1. Climate strategy

# Environmental, Social and Governance Report

	Description	Section of this Report
<b>(III)</b>	<b>Risk Management</b>	
27	Issuer must disclose the following information:	7.2. Climate risk management
	(a) The processes and related policies used by the issuer to identify and assess climate-related risks, prioritize them, and maintain monitoring, including information regarding:	7.2. Climate risk management
	(i) The data and parameters used by the issuer (e.g., sources of data and the scope of operations covered by the processes);	
	(ii) How the issuer can and does use climate-related scenario analysis to identify climate-related risks;	
	(iii) How the issuer assesses the nature, likelihood, and extent of the impacts associated with such risks (e.g., whether the issuer considers qualitative factors, quantitative thresholds, or other standards used);	
	(iv) Whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) How the issuer monitors climate-related risks; and	
	(vi) How the issuer can and does change its processes compared to the previous reporting period;	
	(b) The processes used by the issuer to identify, assess climate-related opportunities, and prioritize and maintain monitoring, including information on how the issuer can and does use climate-related scenario analysis to determine climate-related opportunities; and	7.2. Climate risk management
	(c) How the process of identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities is integrated into the issuer's overall risk management process, and to what extent.	7.2. Climate risk management
<b>(IV)</b>	<b>Indicators and Targets</b>	
	Greenhouse Gas Emissions	
28	Issuers must disclose the absolute total greenhouse gas emissions during the Reporting Period (in tons of CO <sub>2</sub> equivalent), categorized as:	7.3. Climate indicators and targets
	(a) Scope 1 greenhouse gas emissions;	As the calculation of Scope 3 greenhouse gas emissions involves extensive data collection and resource input, the Group adopts Reasonable Information Relief.
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	

# Environmental, Social and Governance Report

	Description	Section of this Report
29	<p>Issuer must:</p> <p>(a) Unless required otherwise by regulatory authorities or another exchange where the issuer is listed, issuers must quantify their greenhouse gas emissions in accordance with the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)”;</p> <p>(b) Disclose the methods used for measuring greenhouse gas emissions, including:</p> <p>(i) The measurement methods, input data, and assumptions used by the issuer to quantify its greenhouse gas emissions;</p> <p>(ii) Why the issuer chose this measurement method, the input data, and the assumptions made for measuring greenhouse gas emissions; and</p> <p>(iii) Any changes made to the measurement methods, input data, and assumptions during the Reporting Period, including reasons for the changes;</p> <p>(c) For Scope 2 greenhouse gas emissions disclosed under paragraph 28(b), disclose the issuer’s Scope 2 greenhouse gas emissions on a geographical basis, along with any necessary contractual documents to understand that emissions; and</p> <p>(d) For Scope 3 greenhouse gas emissions disclosed under paragraph 28(c), disclose the categories included in the quantification of Scope 3 greenhouse gas emissions according to the “Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)”.</p>	<p>7.3. Climate indicators and targets</p> <p>7.3. Climate indicators and targets</p> <p>7.3. Climate indicators and targets</p> <p>7.3. Climate indicators and targets</p>
	Climate-related Transition Risks	
30	<p>Issuers must disclose the amount and percentage of assets or business activities that are vulnerable to climate-related transition risks.</p>	<p>Current research only covers the specified assets and businesses and will explore the feasibility of expanding the scope of our research in the future.</p>
	Climate-related Physical Risks	
31	<p>Issuers must disclose the amount and percentage of assets or business activities that are susceptible to climate-related physical risks.</p>	<p>Current research only covers the specified assets and businesses and will explore the feasibility of expanding the scope of our research in the future.</p>
	Climate-related Opportunities	
32	<p>Issuers must disclose the amount and percentage of assets or business activities related to climate-related opportunities.</p>	<p>7.3. Climate indicators and targets</p>
	Capital Expenditure	
33	<p>Issuers must disclose the capital expenditures, financing, or investment amounts related to climate-related risks and opportunities.</p>	<p>7.3. Climate indicators and targets</p>

# Environmental, Social and Governance Report

	Description	Section of this Report
	Internal Carbon Pricing	
34	<p>Issuer must disclose the following:</p> <p>(a) Explanation of how the issuer may apply carbon pricing in decision-making (e.g., investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) The pricing of greenhouse gas emissions for evaluating its cost per ton of greenhouse gas emissions.</p>	We have not yet incorporated internal carbon pricing into our decision-making process. We will explore the use of internal carbon pricing in the future.
	Compensation	
35	Issuers must disclose how climate-related considerations may be incorporated into compensation policies or provide an appropriate disclaimer. This may form part of the disclosures required under paragraph 19(a)(iv).	We will explore the feasibility of incorporating climate-related indicators into the compensation considerations for senior management.
	Industry Indicators	
36	The exchange encourages issuers to disclose industry indicators related to one or more specific business models and activities or to indicators that are commonly related to relevant industry characteristics. In deciding which industry indicators to disclose, the exchange encourages issuers to refer to the “Industry Disclosure Guide” of the “International Financial Reporting Standards Sustainability Disclosure Standards (S2)” and other industry disclosure requirements in international environmental, social, and governance reporting frameworks, considering their applicability.	7.3. Climate indicators and targets
	Climate-related Targets	
37	Issuers must disclose (a) the qualitative and quantitative targets set to monitor progress toward achieving their strategic targets related to climate; and (b) any targets mandated by law or regulation, including greenhouse gas emissions targets.	7.3. Climate indicators and targets
	Issuers must disclose the following information for each target:	
	(a) Indicators used to set goals;	7.3. Climate indicators and targets
	(b) The purpose of the target (e.g., mitigation, adaptation, or science-based initiatives);	7.3. Climate indicators and targets
	(c) Scope of the target (e.g., whether the target applies to the entire group of issuers or only to specific business units or geographic areas);	7.3. Climate indicators and targets
	(d) The applicable period of the target;	7.3. Climate indicators and targets
	(e) The baseline period for measuring progress;	7.3. Climate indicators and targets
	(f) Any interim or mid-term targets (if any);	7.3. Climate indicators and targets
	(g) If it is a quantitative target, whether it is an absolute target or an intensity target; and	7.3. Climate indicators and targets
	(h) How the latest international climate change agreements (including any legal commitments arising from those agreements) assist the issuer in setting targets.	7.3. Climate indicators and targets

# Environmental, Social and Governance Report

Description	Section of this Report
38 Issuers must disclose the methods for setting and reviewing each target, and how they monitor progress toward achieving targets, including:	7.3. Climate indicators and targets
(a) Whether the objective itself and the method of setting the objective have been verified by a third party;	We have set ten-year greenhouse gas emission targets.
(b) The issuer's processes for reviewing targets;	We have already achieved our 2034 fiscal year greenhouse gas emission targets ahead of schedule and are actively considering setting new targets.
(c) Indicators used to monitor progress toward achieving targets; and	As we move forward, we will explore having third parties verify the feasibility of our targets.
(d) Any amendments to the targets and the reasons.	
39 The issuer must disclose information on the performance of each climate-related objective and an analysis of trends or changes in the issuer's performance.	7.3. Climate indicators and targets
40 For each greenhouse gas emission target disclosed in paragraphs 37 to 39, the issuer must disclose:	
(a) Which greenhouse gases are covered by the target;	7.3. Climate indicators and targets
(b) Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions;	7.3. Climate indicators and targets
	As the calculation of Scope 3 greenhouse gas emissions involves extensive data collection and resource input, the Group adopts Reasonable Information Relief.
(c) Whether this target is a total greenhouse gas emissions target or a net greenhouse gas emissions target; if it is a net target, the issuer must also disclose the relevant total greenhouse gas emissions targets;	7.3. Climate indicators and targets
(d) Whether the target was developed using industry decarbonization approaches; and	The Group's targets were developed primarily based on the Group's climate strategy and operational context. During the Reporting Period, the Group did not directly adopt specific industry decarbonisation approaches, and will continue to monitor relevant sector guidance and consider enhancements to its target-setting approach over time.

# Environmental, Social and Governance Report

Description	Section of this Report
<p>(e) How the issuer plans to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. Regarding the use of carbon credits, issuers must disclose:</p> <ul style="list-style-type: none"> <li>(i) The extent and manner to which carbon credits are relied upon to achieve any net greenhouse gas emissions targets;</li> <li>(ii) Which third-party programs will verify or certify the carbon credits;</li> <li>(iii) The type of carbon credits, including whether the associated offsets are based on natural or technological carbon removal, and whether the associated offsets are achieved through emission reductions or carbon removal; and</li> <li>(iv) Any other important factors necessary to make people understand the credibility and integrity of the carbon credits that the issuer plans to use (e.g., assumptions about the carbon offsetting effect).</li> </ul>	<p>Once all feasible emission reduction measures are completed, we will explore the feasibility of purchasing carbon credits to offset greenhouse gas emissions generated during operations.</p>
<p>Applicability of Cross-industry Indicators and Industry Indicators</p>	
<p>41 In preparing disclosure content to comply with the provisions set out in paragraphs 21 to 26 and 37 to 38, issuers must reference (i) cross-industry indicators (see paragraphs 28 to 35) and (ii) industry indicators (see paragraph 36), considering their applicability.</p>	<p>The Group reports its climate performance in accordance with the Stock Exchange's climate-related disclosure requirements, without referring to the IFRS S2 Industry Disclosure Guidelines or other industry benchmarks.</p>

# Independent Auditor's Report



**To the shareholders of Shanghai Realway Capital Assets Management Co., Ltd.**

*(Incorporated in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Shanghai Realway Capital Assets Management Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 111 to 176, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**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. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matter

### How our audit addressed the key audit matter

#### *Consolidation of structured entities*

During the year, the Group acted as an asset manager for or invested in a few structured entities.

Management makes significant judgement on whether the Group controls these structured entities which should be consolidated in the consolidated financial statements. Judgement is required to consider whether the Group can exercise the power so as to direct the relevant activities of the entities, has exposure or rights to obtain variable returns, and has the ability to influence the Group's returns from the entities.

As at 31 December 2025, the amount of investments in unconsolidated structured entities in the consolidated statement of financial position was RMB61.7 million. Due to the significance of the unconsolidated structured entities and the complexity of judgement exercised by management, consolidation of investments in funds managed by the Group is considered a key audit matter.

The Group's disclosures of the interests in unconsolidated structured entities are detailed in note 2.4, note 3, note 20 and note 32 to the consolidated financial statements.

We understand the design and operating effectiveness of the key controls of management in determining the consolidation scope of interests in structured entities.

We obtained and checked the contracts, documents and other public information of the structured entities on a sample basis to assess management judgement in determining whether a structured entity was required to be consolidated by considering whether the Group had the power to exercise so as to direct the relevant activities of the entity, had exposure or rights to obtain variable returns and had the ability to influence the Group's returns from the entity.

We assessed the disclosures related to interests in unconsolidated structured entities in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matter

### How our audit addressed the key audit matter

#### *Valuation of investments classified as Level 3 in the fair value hierarchy*

As at 31 December 2025, the Group's investments classified as Level 3 in the fair value hierarchy included investments in associates or joint ventures at fair value through profit or loss and financial assets at fair value through profit or loss, amounting to RMB115.5 million, and the determination of such amount involved assessment of the fair values of the associates' and joint ventures' underlying investments in real estate assets or financial assets as at 31 December 2025. The Group recorded losses of RMB8.2 million from changes in the fair values of investments in associates or joint ventures and financial assets at fair value through profit or loss in 2025. The determination of such fair value is considerably subjective, given the lack of availability of market observable data.

We focused on the valuation of investments in associates or joint ventures at fair value through profit or loss and financial assets at fair value through profit or loss due to the significance of the amount and the judgement involved in determining the values of the underlying investments in real estate properties or financial assets.

The Group's disclosures of the investments in structured entities are detailed in note 2.4, note 3, note 20, note 21 and note 34 to the consolidated financial statements.

We assessed and evaluated the design and operating effectiveness of the key controls of management in performing the valuation of the associates' or joint ventures' underlying investments in real estate properties or financial assets.

We evaluated the competency, independence and objectivity of the external valuers. We evaluated the appropriateness of valuation methodology and valuation technique used by management and external valuers for the associates' and joint ventures' underlying investments in real estate assets or financial assets, by evaluating and testing the key inputs and assumptions used against supporting documentation and relevant valuation sources.

We assessed the disclosures related to the valuation of investments classified as Level 3 in the fair value hierarchy in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

# Independent Auditor's Report

## KEY AUDIT MATTERS (CONTINUED)

### Key audit matter

### How our audit addressed the key audit matter

#### *Provision for expected credit losses on trade receivables*

As at 31 December 2025, the Group's provision for expected credit losses on trade receivables were RMB17.1 million, which was significant to the Group.

The Group applied a forward-looking expected credit loss ("ECL") approach to assess the recoverability of trade receivables. The measurement of ECL involves significant judgement and assumptions used in the ECL approach as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions.

The Group's disclosures about trade receivables are included in note 2.4, note 3 and note 18 to the consolidated financial statements.

We assessed and evaluated the design and operating effectiveness of the key controls of management in determining the impairment on trade receivables.

We evaluated management's assessment of the recoverability of trade receivables by reviewing the detailed analysis of the ageing of trade receivables and testing if payments had been received subsequent to the year end, historical payment patterns along with other economic information, any disputes between the parties involved and the correspondence with customers on expected settlement dates.

We reviewed the estimates used to determine the expected credit losses by considering cash collection performance against historical trends and the forward-looking adjustments used in the ECL approach and checked the mathematical accuracy of the calculations.

We assessed the disclosures related to impairment on trade receivables in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

# Independent Auditor's Report

## RESPONSIBILITIES OF THE DIRECTORS 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 IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism 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.

# Independent Auditor's Report

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Cheung (practising certificate number: P04900).

### **Ernst & Young**

*Certified Public Accountants*

Hong Kong

30 March 2026

# Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	5	30,358	26,312
Cost of sales		(4,155)	-
Other income and gains	5	4,083	902
Administrative expenses		(29,704)	(32,330)
Impairment losses (recognised)/reversed on trade receivables	18	(2,955)	5,549
Impairment losses reversed/(recognised) on other receivables	19	15	(54)
Increase/(decrease) in fair value of investments in associates or joint ventures at fair value through profit or loss	20	5,240	(460)
Decrease in fair value of financial assets at fair value through profit or loss	21	(8,226)	(4,753)
(Decrease)/increase in fair value of investment properties	14	(2,912)	70
Other expenses	7	(16,101)	(5,387)
Finance costs	8	(843)	(1,756)
Share of profits and losses of:			
Joint ventures	16	(310)	(44)
An associate	17	311	354
<b>LOSS BEFORE TAX</b>		(25,199)	(11,597)
Income tax expense	11	(2,536)	(1,604)
<b>LOSS FOR THE YEAR</b>		(27,735)	(13,201)
Attributable to:			
Owners of the parent		(27,016)	(13,105)
Non-controlling interests		(719)	(96)
		(27,735)	(13,201)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted			
– For loss for the year (RMB cents)	13	(17.62)	(8.55)

# Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
<b>LOSS FOR THE YEAR</b>	<b>(27,735)</b>	<b>(13,201)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	(125)	24
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(125)	24
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX</b>	<b>(125)</b>	<b>24</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b>(27,860)</b>	<b>(13,177)</b>
Attributable to:		
Owners of the parent	(27,141)	(13,081)
Non-controlling interests	(719)	(96)
	<b>(27,860)</b>	<b>(13,177)</b>

# Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Equipment		359	508
Investment properties	14	39,358	42,270
Right-of-use assets	15(a)	1,579	2,838
Other intangible assets		552	3,169
Investments in joint ventures	16	204	111
Investment in an associate	17	6,303	5,992
Investments in associates or joint ventures at fair value through profit or loss	20	527	35,373
Deferred tax assets	25	64	1,772
<b>Total non-current assets</b>		<b>48,946</b>	<b>92,033</b>
<b>CURRENT ASSETS</b>			
Trade receivables	18	76,207	77,553
Prepayments, other receivables and other assets	19	6,169	5,892
Investments in associates or joint ventures at fair value through profit or loss	20	61,158	50,699
Financial assets at fair value through profit or loss	21	65,274	52,435
Restricted cash	22	500	1,421
Cash and cash equivalents	22	8,514	9,808
<b>Total current assets</b>		<b>217,822</b>	<b>197,808</b>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	23	10,271	5,941
Interest-bearing other borrowings	24	19,436	19,000
Contract liabilities		584	375
Tax payable		127	-
Lease liabilities	15(b)	1,352	1,363
<b>Total current liabilities</b>		<b>31,770</b>	<b>26,679</b>
<b>NET CURRENT ASSETS</b>		<b>186,052</b>	<b>171,129</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>234,998</b>	<b>263,162</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	25	1,390	751
Lease liabilities	15(b)	195	1,458
<b>Total non-current liabilities</b>		<b>1,585</b>	<b>2,209</b>
<b>Net assets</b>		<b>233,413</b>	<b>260,953</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	26	153,340	153,340
Reserves	27	79,214	106,355
		<b>232,554</b>	<b>259,695</b>
<b>Non-controlling interests</b>		<b>859</b>	<b>1,258</b>
<b>Total equity</b>		<b>233,413</b>	<b>260,953</b>

Zhu Ping  
Director

Duan Kejian  
Director

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent							Total	Non-controlling interests	Total equity
	Share capital	Share premium*	Capital reserve*	Share-based payment reserve*	Statutory surplus reserves*	Exchange fluctuation reserve*	Accumulated losses*			
	RMB'000 (note26)	RMB'000	RMB'000 (note27)	RMB'000 (note27)	RMB'000 (note27)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	153,340	158,200	250	4,800	22,675	147	(66,485)	272,927	108	273,035
Loss for the year	-	-	-	-	-	-	(13,105)	(13,105)	(96)	(13,201)
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	-	-	-	-	-	24	-	24	-	24
Total comprehensive loss for the year	-	-	-	-	-	24	(13,105)	(13,081)	(96)	(13,177)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	200	200
Liquidation of a subsidiary	-	-	(136)	-	(49)	-	49	(136)	136	-
Acquisition of non-controlling interests	-	-	(16)	-	-	-	-	(16)	(449)	(465)
Disposal of partial interest in a subsidiary	-	-	1	-	-	-	-	1	1,359	1,360
Appropriations to statutory surplus reserves	-	-	-	-	687	-	(687)	-	-	-
As at 31 December 2024 and 1 January 2025	153,340	158,200	99	4,800	23,313	171	(80,228)	259,695	1,258	260,953
Loss for the year	-	-	-	-	-	-	(27,016)	(27,016)	(719)	(27,735)
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations	-	-	-	-	-	(125)	-	(125)	-	(125)
Total comprehensive loss for the year	-	-	-	-	-	(125)	(27,016)	(27,141)	(719)	(27,860)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	320	320
Appropriations to statutory surplus reserves	-	-	-	-	197	-	(197)	-	-	-
At 31 December 2025	153,340	158,200	99	4,800	23,510	46	(107,441)	232,554	859	233,413

\* These reserve accounts comprise the consolidated reserves of RMB79,214,000 (2024: RMB106,355,000) in the consolidated statement of financial position.

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax:		(25,199)	(11,597)
Adjustments for:			
Finance costs	8	843	1,756
Interest income	5	(5)	(33)
Impairment losses recognised/(reversed) on trade receivables	6,18	2,955	(5,549)
Impairment losses (reversed)/recognised on other receivables	6,19	(15)	54
Impairment loss of other intangible assets	7	2,241	-
Net loss/(gain) on disposal of items of equipment		5	(218)
(Gain)/loss on termination of a right-of-use asset	15(a), (b)	(4)	30
Decreased/(increased) in fair value of investment properties	14	2,912	(70)
Depreciation of equipment	6	158	217
Depreciation of right-of-use assets	6,15(a), (c)	1,340	1,890
Amortisation of other intangible assets	6	376	239
Share of profits and losses of:			
Joint ventures	16	310	44
An associate	17	(311)	(354)
Gain on disposal of financial assets at fair value through profit or loss		(3,860)	-
Decrease in fair value of financial assets at fair value through profit or loss		8,226	4,554
(Increase)/decrease in fair value of investments in associates or joint ventures at fair value through profit or loss	20	(5,240)	460
Loss on disposal of investments in associates or joint ventures at fair value through profit or loss	7	13,848	5,237
		(1,420)	(3,340)
Decrease/(increase) in restricted cash		921	(1,421)
Increase in trade receivables		(1,609)	(7,067)
Decrease in prepayments, other receivables and other assets		92	363
Increase in amounts due from related companies		(355)	(102)
Increase in contract liabilities		209	375
Increase/(decrease) in other payables and accruals		433	(1,523)
Increase in amounts due to related parties		513	-
Cash used in operations		(1,216)	(12,715)
Interest received		5	33
Taxes paid		(62)	-
Net cash flows used in operating activities		(1,273)	(12,682)

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disposal of investments in associates or joint ventures at fair value through profit or loss		145	1,085
Disposal of financial assets at fair value through profit or loss		46,661	23,198
Purchase of financial assets at fair value through profit or loss		(48,233)	-
Purchases of items of equipment		(14)	(12)
Purchase of other intangible assets		-	(2,822)
Investment in a joint venture		(403)	(155)
Disposal of items of equipment		-	243
Payment for acquisition of subsidiaries		-	(21,285)
Repayment from a non-controlling equity holder		-	18,590
Net cash flows (used in)/from investing activities		(1,844)	18,842
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital injection from non-controlling interests		320	1,560
Amount advanced for capital subscription from an investor in a subsidiary		3,387	-
Interest paid		(738)	(2,889)
Repayment of other loans		-	(14,500)
Repayment to the ultimate holding company	31(a)	-	(9,745)
Borrowing from a director	31(a)	481	19,000
Repayment of principal of borrowing to a director	31(a)	(45)	-
Principal portion of lease liabilities	15	(1,456)	(2,197)
Acquisition of non-controlling interests		-	(215)
Net cash flows from/(used in) financing activities		1,949	(8,986)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		9,808	12,610
Effect of foreign exchange rate changes, net		(126)	24
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	22	<b>8,514</b>	<b>9,808</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		9,014	11,229
Less: Restricted cash		(500)	(1,421)
Cash and cash equivalents as stated in the consolidated statements of cash flows and statements of financial position		8,514	9,808

# Notes to Financial Statements

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

Shanghai Realway Capital Assets Management Co., Ltd. is a limited liability company incorporated in Chinese mainland. The registered office of the Company is located at Room 26 G-3, 828-838 Zhang Yang Road, Pilot Free Trade Zone, Shanghai, China.

During the year, the Group was involved in the following principal activities:

- fund management;
- consulting services; and
- property leasing.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Shanghai Weimian Investments Partnership (Limited Partnership), which was incorporated in the People's Republic of China ("PRC").

### Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Registered/nominal value of share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
上海瑞襄投資管理有限公司 Shanghai Ruixiang Investment Management Co., Ltd. ("Shanghai Ruixiang")	PRC/Chinese mainland	RMB50,000,000	98.00	-	Fund management
上海芮楚商務諮詢有限公司 Shanghai Ruichu Business Advisory Co., Ltd. ("Shanghai Ruichu")	PRC/Chinese mainland	RMB10,000,000	100.00	-	Investment management
Prominence Global Fund Management Co., Limited ("Prominence Global")	Hong Kong	HKD5,000,000	100.00	-	Investment management
上海威弋投資合夥企業(有限合夥) Shanghai Weiyi Investment Partnership (Limited Partnership) ("Shanghai Weiyi")	PRC/Chinese mainland	RMB95,557,000	99.41	0.58	Investment management

# Notes to Financial Statements

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION (CONTINUED)

### Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Registered/nominal value of share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
成都芮翰超商業管理有限責任公司 Chengdu Ruihanchao Business Management Co., Ltd. ("Chengdu Ruihanchao")	PRC/Chinese mainland	RMB20,090,000	-	100.00	Property investment and provision of management services
成都芮瑞炳商業管理有限責任公司 Chengdu Ruiuibing Business Management Co., Ltd. ("Chengdu Ruiuibing")	PRC/Chinese mainland	RMB23,910,000	-	100.00	Property investment and provision of management services
瑞威邦創愛律(上海)科技服務有限公司 Ruiwei Bangchuang Ailu (Shanghai) Technology Service Co., Ltd. ("Ruiwei Bangchuang")	PRC/Chinese mainland	RMB10,000,000	-	55.00	Legal consulting services
深圳市源匯啟創科技有限公司 Shenzhen Yuanhui Qichuang Technology Co., Ltd. ("Yuanhui Qichuang")	PRC/Chinese mainland	RMB1,000,000	-	51.00	Credit management consulting services

The English names of all group companies registered in the Chinese mainland represent the best efforts made by the management of the Company to translate their Chinese names as they do not have official English names. All these subsidiaries are incorporated in the People's Republic of China with limited liability except for Prominence Global.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

# Notes to Financial Statements

31 December 2025

## 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all standards and interpretations, International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations) as issued by the International Accounting Standards Board (the “IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investments in associates or joint ventures at fair value through profit or loss (“IAFV”), financial assets at fair value through profit or loss (“FVTPL”) and investment properties which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

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

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

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

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

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

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

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

# Notes to Financial Statements

31 December 2025

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and the amendments are not expected to have any significant impact on the Group's financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

# Notes to Financial Statements

31 December 2025

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (CONTINUED)

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

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-Dependent Electricity* clarify the application of the 'own-use' requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

# Notes to Financial Statements

31 December 2025

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

*Annual Improvements to IFRS Accounting Standards – Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES

### Investments in associates and joint ventures

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

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

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

In accordance with the exemption in IAS 28 *Investments in Associates and Joint Ventures*, the Group does not account for its investments in associates or joint ventures using the equity method if the Group acts as an investment fund manager. Instead, the Group has elected to measure its investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9. This exemption is related to the fact that fair value measurement provides more useful information for users of the financial statements than application of the equity method. This is an exemption from the requirement to measure interests in joint ventures and associates using the equity method, rather than an exception to the scope of IAS 28 for the accounting for joint ventures and associates held by these entities.

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

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity. The Group classified the investments in unconsolidated structured activities managed by the Group as investments in associates or joint ventures at fair value through profit or loss.

### Fair value measurement

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

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

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

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

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

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

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Impairment of non-financial assets

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

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

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

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

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Equipment and depreciation

Equipment, are stated at cost less accumulated depreciation and any impairment losses. When an item of equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

	Estimated useful life	Annual depreciation rate
Motor vehicles	4 years	23.75%
Office equipment	3 to 5 years	18.87% to 31.67%

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

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

### Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are amortised evenly over the following periods:

Software	10 years
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The software is highly compatible and is mainly used for business operations, office assistance and bookkeeping, and the service output is stable and meets operation needs, without requiring frequent technological updates and maintenance, so management estimated that the office software has a useful life of 10 years after considering the operating benefits provided by utilising such office software and the upgrade and development cycles in the market.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognized.

### Leases

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

#### Group as a lessee

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

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

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office buildings	2 to 3 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Leases (continued)

#### Group as a lessee (continued)

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

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

In calculating the present value of lease payments, the Group uses its internal rate of return at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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

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

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

#### Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are classified as finance leases.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Investments and other financial assets

#### Initial recognition and measurement

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

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

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

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

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

#### Subsequent measurement

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

#### Financial assets at amortised cost (debt instruments)

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

The Group's financial assets at amortised cost includes cash and cash equivalents, trade receivables and other financial assets included in prepayments, deposits and other receivables.

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

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

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Derecognition of financial assets

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

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

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

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

### Impairment of financial assets

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

#### General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when the receivables have not yet been received after fund liquidation.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Impairment of financial assets (continued)

#### General approach (continued)

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

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

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

#### Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The Group has established a provision matrix that is based on the assessment of the probability of default and loss given default and is based on historical data adjusted for forward-looking information.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

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

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

#### Subsequent measurement

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

#### Financial liabilities at amortised cost (loans and borrowings)

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

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

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Financial guarantee contracts

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

### Derecognition of financial liabilities

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

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

### Offsetting of financial instruments

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

### Cash and cash equivalents

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

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

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

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

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Income tax

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

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

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Income tax (continued)

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

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

### Revenue recognition

#### Revenue from contracts with customers

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

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

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

The Group derives its revenue mainly from funds management and consulting services. The Group recognises revenue when the specific criteria have been met for each of the Group's activities, as described below:

- (a) Regular management fees are recognised periodically based on a predetermined fixed percentage of the asset value under management ("AUM"); and
- (b) The Group's consulting services primarily relate to investment advisory services and financial advisory services. Consulting service income is recognised when the relevant services are rendered.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Revenue from other sources

#### Rental income

Rental income is recognised on a time proportion basis over the lease terms.

#### Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been 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.

### Employee retirement benefits

The employees of the Company and its subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of these payroll costs to the central pension scheme. The only obligation of the Company with respect to the central pension scheme is to make the required contributions. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

### Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

# Notes to Financial Statements

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### Foreign currencies

Since the majority of the assets and operations of the Group are located in the Chinese mainland, the financial statements are presented in RMB, which is the functional currency of the Company. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Investment funds managed by the Group

The Group holds a certain degree of direct interest in some of its managed funds. When determining whether the Group controls these funds, usually the level of aggregate economic interests of the Group in these funds, the fund manager's scope of decision-making rights and the level of investors' rights to remove the investment manager will be taken into consideration.

In accordance with IFRS 10, an investor controls an investee if and only if the investor has all of the following elements: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. In assessing whether power is present, the Group will not have power over the funds if the fund manager can be removed at any time. From the variable returns perspective, all economic interests arising from the funds, including the extent of direct interests in these funds, the management fee charged and performance bonus obtained, will be taken into consideration, and the Group uses 30% of all economic benefit and interests arising from the funds as the threshold in assessing whether it is the primary beneficiary of these funds and is exposed, or has rights, to significant variable returns from its involvement with the investee.

During the reporting periods, the financial statements of the funds managed by the Group were not consolidated into the Group's financial statements because the Group does not have control over these funds, taking into account all aforementioned elements in accordance with IFRS 10.

# Notes to Financial Statements

31 December 2025

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### Judgements (continued)

#### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses of RMB80,089,000 (2024: RMB89,641,000) carried forward. These unexpired tax losses may not be used to offset taxable income elsewhere in the Group. The Group have neither any taxable temporary difference nor any tax planning opportunities available that substantiates the recognition of these losses as deferred tax assets. Accordingly, the Group has determined that these tax losses is not recognise for deferred tax assets.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB20,022,000. Further details on deferred taxes are set out in note 25 to the financial statements.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### Provision for expected credit losses on trade receivables

The key inputs used for the function are probability of default, loss given default and exposure at default which are generally derived from internally developed statistical models and other historical data. At each reporting date, they are adjusted incorporation of forward-looking information to reflect probability-weighted average credit loss. Estimation of ECLs reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and is disclosed in note 18 to the financial statements.

#### Fair value

The fair value of investments in associates or joint ventures at fair value through profit or loss, investment properties and financial assets at fair value through profit or loss that are not quoted in an active market is measured by using observable market prices or rates, the recent transaction price and internal assessment based on modelling. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The resulting accounting estimates may not be equal to the related actual results. Further details are given in note 34 to the financial statements.

# Notes to Financial Statements

31 December 2025

## 4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business, which include management fee and consulting services income, by project for the purpose of making decisions about resource allocation and performance assessment. As all projects have similar economic characteristics, and the nature of management services and consulting services, the nature of the aforementioned business processes, the type or class of fund for the aforementioned business and the methods used for distributions or to provide the services are similar for all projects, all projects have been aggregated as one reportable operating segment.

### Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in the Chinese mainland and no significant non-current assets of the Group are located outside Chinese mainland.

### Information about major customers

Customers are the investors who invest in the funds managed by the Group or clients for which the Group serves as a consulting advisor.

Revenue from major customers contributing 10% or more of the Group's revenue for the years ended 31 December 2025 and 2024 are set out below:

	2025 RMB'000	2024 RMB'000
Customer A	4,709	-
Customer B	4,481	4,481
Customer C	3,208	-

# Notes to Financial Statements

31 December 2025

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	28,383	24,698
Revenue from other sources		
Rental income from investment property operating lease	1,975	1,614
Total	30,358	26,312

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
<b>Types of services</b>		
Rendering of fund management services (note 32 (b))	5,899	11,582
Rendering of consulting services	22,484	13,116
Total	28,383	24,698
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	12,353	6,211
Services transferred over time	16,030	18,487
Total	28,383	24,698

# Notes to Financial Statements

31 December 2025

## 5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

### Revenue from contracts with customers (continued)

#### (ii) Performance obligations

For fund management services and consulting services rendered over time, the Group recognises revenue in an amount that equal to the right to invoice which corresponds directly to the value delivered to the customer based on the Group's performance to date. The Group has elected to apply the practical expedient of not disclosing the remaining performance obligations for these contracts. The majority of the fund management service contracts are for periods of 1 year to 5 years which are the terms of the funds.

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
<b>Other income</b>		
Interest income	5	33
Government grants*	181	383
Total incomes	186	416
<b>Gains</b>		
Gain on disposal of financial assets at fair value through profit or loss	3,860	268
Gain on disposal of items of equipment	-	218
Gain on termination of lease	4	-
Others	33	-
Total gains	3,897	486
Total other income and gains	4,083	902

\* Government grants related to income that is received as compensation for the Group's expenses already incurred or for the financial support to the Group with no future costs or expenses to be incurred. There are no unfulfilled conditions or contingencies relating to these grants.

# Notes to Financial Statements

31 December 2025

## 6. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of sales		4,155	-
Depreciation of equipment		158	217
Depreciation of right-of-use assets	15(a)	1,340	1,890
Amortisation of other intangible assets		376	239
Impairment losses recognised/(reversed) on trade receivables	18	2,955	(5,549)
Impairment losses (reversed)/recognised on other receivables	19	(15)	54
Lease payments not included in the measurement of lease liabilities	15(c)	124	464
Auditor's remuneration		1,350	1,300
Other audit services		71	118
Employee benefit expense (including directors', supervisors' and chief executive's remuneration (note 9)):			
Wages and salaries		15,024	16,335
Pension scheme contributions and social welfare		3,302	3,737

## 7. OTHER EXPENSES

	2025 RMB'000	2024 RMB'000
Loss on disposal of investments in associates or joint ventures at fair value through profit or loss *	13,848	5,237
Loss on disposal of items of equipment	5	-
Loss on termination of right-of-use assets	-	29
Impairment loss of other intangible assets**	2,241	-
Others	7	121
<b>Total</b>	<b>16,101</b>	<b>5,387</b>

\* The Group held an interest in Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership), an investment in a joint venture at fair value through profit or loss, which primarily invested in distressed assets and was under liquidation and two debt investments were distributed to the Group during the year. A loss of RMB13,848,000 was recognised between the cost of investment in a joint venture at fair value through profit or loss and the fair value of the debt investment received.

\*\* The Group's customized software for future business development was impaired as its recoverable amount was less than the carrying amount.

## 8. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities (note 15(c))	105	186
Interest on other interest-bearing borrowings	738	1,570
<b>Total</b>	<b>843</b>	<b>1,756</b>

# Notes to Financial Statements

31 December 2025

## 9. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange ("Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	360	360
Other emoluments:		
Salaries, allowances and benefits in kind	1,463	1,402
Pension scheme contributions	236	239
Subtotal	1,699	1,641
Total	2,059	2,001

### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Shang Jian	120	120
Ms. Yang Huifang	120	120
Mr. Zhu Hongchao	120	120
Total	360	360

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

# Notes to Financial Statements

31 December 2025

## 9. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION (CONTINUED)

### (b) Executive directors, non-executive directors and supervisors

	Salaries, allowances and benefits in kind RMB'000	Pension Scheme contributions RMB'000	Total remuneration RMB'000
2025			
Executive directors:			
Mr. Zhu Ping	902	-	902
Mr. Duan Kejian	120	146	266
Mr. Fan Lei	120	-	120
Subtotal	1,142	146	1,288
Non-executive directors:			
Mr. Cheng Jun	16	30	46
Mr. Wang Xuyang	120	-	120
Subtotal	136	30	166
Supervisors:			
Ms. Cai Luyi	185	60	245
Mr. Lu Xili	-	-	-
Ms. Wang Juanping	-	-	-
Subtotal	185	60	245
Total	1,463	236	1,699
2024			
Executive directors:			
Mr. Zhu Ping	864	-	864
Mr. Duan Kejian	120	145	265
Ms. Chen Min (resigned on 30 August 2024)	-	-	-
Mr. Fan Lei (appointed on 30 August 2024)	40	-	40
Subtotal	1,024	145	1,169
Non-executive directors:			
Mr. Cheng Jun	73	31	104
Mr. Wang Xuyang	120	-	120
Subtotal	193	31	224
Supervisors:			
Ms. Cai Luyi	185	63	248
Mr. Lu Xili	-	-	-
Ms. Wang Juanping	-	-	-
Subtotal	185	63	248
Total	1,402	239	1,641

Mr. Zhu Ping was designated as chief executive.

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

# Notes to Financial Statements

31 December 2025

## 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2024: one), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,514	2,732
Pension scheme contributions	582	579
Total	3,096	3,311

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HKD1,000,000	4	4

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group's subsidiary incorporated in Hong Kong was not liable for income tax as it did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2025 (2024: nil). Subsidiaries of the Group operating in the Chinese mainland were subject to corporate income tax at a rate of 25% for the year (2024: 25%), except that qualified as small-scale enterprises were eligible to apply an effective income tax rate of 5% (2024: 5%).

	2025 RMB'000	2024 RMB'000
Current – Chinese mainland income tax		
Charge for the year	189	–
Deferred (note 25)	2,347	1,604
Total tax charge for the year	2,536	1,604

# Notes to Financial Statements

31 December 2025

## 11. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled and operate to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(25,199)	(11,597)
Tax at the statutory tax rate	(6,300)	(2,899)
Expenses not deductible for tax	68	112
Lower tax rates for specific provinces/jurisdiction or enacted by local authority	(447)	164
Unrecognised deductible temporary differences and tax losses	9,293	4,149
Profits and losses attributable to joint ventures and an associate	(78)	78
Total tax charge for the year at the effective rate	2,536	1,604

## 12. DIVIDENDS

No dividends have been proposed by the directors for the year ended 31 December 2025 (2024: Nil).

## 13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 153,340,000 (2024:153,340,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares outstanding in issue during the years ended 31 December 2025 and 2024.

The calculation of basic loss per share is based on:

	2025 RMB'000	2024 RMB'000
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(27,016)	(13,105)
	<b>Number of shares</b>	
	2025	2024
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation	153,340,000	153,340,000

# Notes to Financial Statements

31 December 2025

## 14. INVESTMENT PROPERTIES

	2025 RMB'000
Carrying amount at 1 January 2024	42,200
Net gain from a fair value adjustment	70
Carrying amount at 31 December 2024 and 1 January 2025	42,270
Net loss from a fair value adjustment	(2,912)
Carrying amount at 31 December 2025	39,358

The Group's investment properties are situated in the Chinese mainland. The Group's investment properties were revalued on 31 December 2025 based on valuations performed by Sichuan Ruilai Real Estate Land Asset Appraisal Co., Ltd., independent professionally qualified valuer, at RMB39,358,000. The Group's financial controller and the chief executive decide and appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's financial controller and the chief executive have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further details of which are included in note 15 to the financial statements.

As at 31 December 2025, the Group's investment properties with an aggregate carrying amount of RMB39,358,000 (2024: RMB42,270,000) were pledged to secure bank borrowings granted to Mr. Zhu Ping and Mr. Duan Kejian, directors of the Company. Mr. Zhu Ping and Mr. Duan Kejian applied the proceeds from the foregoing bank borrowings to advance to the Group to finance its operations (note 24).

# Notes to Financial Statements

31 December 2025

## 14. INVESTMENT PROPERTIES (CONTINUED)

### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2025 using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Recurring fair value measurement for:				
Commercial properties	-	-	39,358	39,358

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Valuation technique	Significant unobservable inputs	Range or weighted average	
		2025	2024
Comparison method	Adjusted market price (RMB/square metre)	10,790-12,600	11,880-13,200

The fair value of commercial properties is determined using the comparison method, with reference to comparable market prices per square metre as available in the relevant market to derive the fair value of the properties, and adjustments such as discounts on the transaction price and floor adjustment have been made to account for the difference.

A 10% increase/(decrease) in adjusted market price would result in increase/(decrease) in the fair value of investment properties by RMB3,936,000/RMB(3,936,000) (2024: RMB4,227,000/RMB(4,227,000)).

# Notes to Financial Statements

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## 15. LEASES

### The Group as a lessee

The Group has lease contracts for various items of office buildings and other equipment used in its operations. Leases of office buildings generally have lease terms between 2 and 3 years. Other equipment is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

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

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

	Office buildings RMB'000
<b>As 1 January 2024</b>	6,294
Termination	(1,566)
Depreciation charge (note 6)	(1,890)
<b>As at 31 December 2024 and 1 January 2025</b>	<b>2,838</b>
New lease	178
Termination	(97)
Depreciation charge (note 6)	(1,340)
<b>As at 31 December 2025</b>	<b>1,579</b>

#### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	2,821	6,368
New lease	178	-
Termination	(101)	(1,536)
Accretion of interest recognised during the year	105	186
Payments	(1,456)	(2,197)
Carrying amount at 31 December	<b>1,547</b>	2,821
Analysed into:		
Current portion	1,352	1,363
Non-current portion	195	1,458

The maturity analysis of lease liabilities is disclosed in note 35 to the financial statements.

# Notes to Financial Statements

31 December 2025

## 15. LEASES (CONTINUED)

### The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities (note 8)	105	186
Depreciation charge of right-of-use assets (note 6)	1,340	1,890
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2025 (note 6)	123	425
Expense relating to leases of low-value assets (note 6)	1	39
Total amount recognised in profit or loss	1,569	2,540

The total cash outflow for leases is disclosed in note 28(b) to the financial statements, and the Group has not commenced additional leases subsequently.

### The Group as a lessor

The Group leases its investment properties (note 14) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,975,000 (2024: RMB1,614,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	2,505	2,655
After one year but within two years	2,546	2,737
After two years but within three years	2,645	2,860
After three years but within four years	1,329	2,964
After four years but within five years	77	1,360
Total	9,102	12,576

# Notes to Financial Statements

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## 16. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	204	111

Particulars of the Group's material joint ventures are as follows:

Name	Registered capital	Place of registration and business	Percentage of Ownership interest attributable to the Group	Principal activities
橫琴匯勳資產管理有限公司 Hengqin Huixun Investment Management Co., Ltd.	RMB30,000,000	Zhuhai	40	Investment management
嘉興瑞丞股權投資有限公司 Jiaxing Ruicheng Equity Investment Co., Ltd.	RMB10,000,000	Jiaxing	50	Investment management
上海瑞威益鑫商務信息管理有限公司 Shanghai Realway Yixin Business Information Management Co., Ltd.	RMB10,000,000	Shanghai	40	Provision of business information management
浙江賦睿信息諮詢服務有限公司 Zhejiang Furui Information Consulting Service Co., Ltd.	RMB10,000,000	Jinhua	31	Credit management consulting

Registered capital of Hengqin Huixun Investment Management Co., Ltd. and Jiaxing Ruicheng Equity Investment Co., Ltd. had not yet been paid up. Hengqin Huixun Investment Management Co., Ltd. was deregistered on 4 January 2026.

Shanghai Realway Yixin Business Information Management Co., Ltd. was registered on 29 September 2021. Up to 31 December 2025, RMB1,000,000 of registered capital has been paid up.

In 2024, the Group made an investment in Zhejiang Furui Information Consulting Service Co., Ltd. as a joint venture which mainly engaged in management consulting of distressed debt assets generated by individuals. Up to 31 December 2025, RMB1,606,000 of registered capital has been paid up.

Pursuant to the investment framework agreement and the articles of association of these companies, all equity holder resolutions shall be resolved by equity holders on a unanimous basis. Accordingly, these companies were accounted for as joint ventures of the Group.

The Group has discontinued the recognition of its share of losses of a joint venture, Shanghai Realway Yixin Business Information Management Co., Ltd., because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this joint venture for the current year and cumulative losses were RMB146,000 (2024: RMB33,000) and RMB777,000 (2024: RMB631,000), respectively.

None of the joint ventures is considered a material joint venture of the Group for the year ended 31 December 2025.

# Notes to Financial Statements

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## 16. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' losses for the year	(310)	(44)
Share of the joint ventures' total comprehensive income	(310)	(44)
Aggregate carrying amount of the Group's investments in the joint ventures	204	111

## 17. INVESTMENT IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
Share of net assets	6,303	5,992

Name	Paid-up capital	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd.	RMB50,000,000	Qingdao	18	Investment management

The following table illustrates the summarised financial information in respect of Guangrui Juyao (Qingdao) Wealth Asset Management Co., Ltd., adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	2025 RMB'000	2024 RMB'000
Current assets	142,752	69,585
Non-current assets	147	489
Current liabilities	(107,881)	(36,784)
Net assets	35,018	33,290
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	18%	18%
Group's share of net assets of the associate	6,303	5,992
Carrying amount of the investment	6,303	5,992
Revenue	128,697	175,792
Profit for the year	1,728	1,968
Total comprehensive profit for the year	1,728	1,968

# Notes to Financial Statements

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## 18. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	93,352	91,743
Impairment	(17,145)	(14,190)
Net carrying amount	76,207	77,553

The Group's trade receivables mainly represent regular management fee and consulting fee. Management fee is based on a predetermined fixed percentage of the asset value under management with settlement prioritized to payment to the funds' investors/partners upon funds' liquidation or distribution. Consulting fee is settled in accordance with the terms stipulated in the contract, typically after the contract is signed or upon delivery of the contractually agreed deliverables following the completion of services. The Group's contractual terms with its funds are mainly on credit. Trade receivables are settled based on the progress payment schedule stipulated in the contracts. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to clients with credit risk, there is no significant concentration of credit risk but a general credit risk inherent in the Group's outstanding balance of trade receivables based on the management's best estimation at the reporting date. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2025, the amount due from associates was RMB16,163,000 (2024: RMB29,152,000), which are repayable on credit terms similar to those offered to the major clients of the Group (note 31(b)).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	13,113	14,332
1 to 2 years	9,085	7,812
Over 2 years	54,009	55,409
Total	76,207	77,553

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	14,190	19,739
Impairment losses recognised/(reversed) (note 6)	2,955	(5,549)
At end of year	17,145	14,190

# Notes to Financial Statements

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## 18. TRADE RECEIVABLES (CONTINUED)

An impairment analysis is performed at each reporting period using a function to measure expected credit losses. The key inputs used for the function are probability of default, loss given default and exposure at default which are generally derived from internally developed statistical models and other historical data. At each reporting date, they are adjusted incorporating forward-looking information to reflect probability-weighted average credit loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Trade receivables credit-rating			
	A3	Ca-C	Unrated	Total
Individually assessed:				
Expected credit loss rate	-	16.39%	-	16.39%
Gross carrying amount (RMB'000)	-	85,089	-	85,089
Expected credit losses (RMB'000)	-	13,945	-	13,945
Collectively assessed:				
Expected credit loss rate	0.02%	-	100.00%	38.73%
Gross carrying amount (RMB'000)	5,064	-	3,199	8,263
Expected credit losses (RMB'000)	1	-	3,199	3,200

As at 31 December 2024

	Trade receivables credit-rating			
	A3	Ca-C	Unrated	Total
Individually assessed:				
Expected credit loss rate	-	13.21%	-	13.21%
Gross carrying amount (RMB'000)	-	83,184	-	83,184
Expected credit losses (RMB'000)	-	10,990	-	10,990
Collectively assessed:				
Expected credit loss rate	0.02%	-	100.00%	37.39%
Gross carrying amount (RMB'000)	5,360	-	3,199	8,559
Expected credit losses (RMB'000)	1	-	3,199	3,200

# Notes to Financial Statements

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## 19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments	1,184	1,038
Deposits	698	612
Due from related companies	1,198	843
Other receivables	3,911	4,236
Subtotal	6,991	6,729
Impairment allowance	(822)	(837)
Total	6,169	5,892

The movements in provision for impairment of other receivables are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	837	1,055
Impairment losses(reversed)/recognised (note 6)	(15)	54
Amount written off as uncollectible	-	(272)
At the end of the year	822	837

The internal credit ratings of receivables and other deposits were classified as performing. The Group has assessed that the credit risk of these receivables has not increased significantly since initial recognition. The expected loss rate of these receivables is assessed to be 11.8% (2024: 12.4%). The Group has evaluated the expected loss rate and gross carrying amount, measured the impairment based on the 12-month expected credit losses, and assessed that the expected credit losses were RMB822,000 as at 31 December 2025 (2024: RMB837,000).

# Notes to Financial Statements

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## 20. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (“IAFV”)

	2025 RMB'000	2024 RMB'000
Unlisted investments in associates or joint ventures, at fair value	61,685	86,072

The Group, as an investment fund manager, measured the above investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9 at 31 December 2025. Details of the Group’s material investment funds are summarised as follows:

	Type of investment project	Equity interests held	
		2025	2024
瑞威發展3號契約型私募基金 Realway Development No. 3 Unit Trust Fund	Fund investments in commercial real estate projects, urbanisation and redevelopment projects and distressed assets projects	9.8%	9.9%
瑞威發展5號契約型私募基金 Realway Development No. 5 Unit Trust Fund	Fund investments in urbanisation and redevelopment projects and commercial real estate projects	14.3%	14.4%
杭州富陽匯嶸投資管理合夥企業 (有限合夥) Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership)*	Fund investments in commercial real estate projects	78.7%	78.7%

\* The Group’s 78.7% interest in Hangzhou Fuyang Huirong Investment Management Partnership (Limited Partnership) is considered as an investment in joint ventures as decisions regarding the relevant activities require the unanimous consent of other parties.

The following table illustrates the summarised financial information in respect of material investments in joint ventures at fair value through profit or loss :

	Net asset value		(Loss)/profit for the year	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Fund A	121,883	178,744	(56,861)	16,133
Fund B	113,395	131,165	(16,759)	8,550
Fund C	40,392	43,552	(3,160)	(667)

None of the investments in associates at fair value through profit or loss considered as material associates of the Group for the year ended 31 December 2025.

The information disclosed reflects the amounts presented in the financial statements of the relevant associates or joint ventures.

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## 20. INVESTMENTS IN ASSOCIATES OR JOINT VENTURES AT FAIR VALUE THROUGH PROFIT OR LOSS (“IAFV”) (CONTINUED)

The movements in investments in associates or joint ventures at fair value through profit or loss for the year ended 31 December 2025 are as follows.

	Cost RMB'000	(Decrease)/ increase in fair value RMB'000	Total RMB'000
At 1 January 2024	177,496	(41,502)	135,994
Movements	–	(460)	(460)
Derecognition and/or realisation	(49,462)	–	(49,462)
At 31 December 2024	128,034	(41,962)	86,072
Current portion	79,034	(28,335)	50,699
Non-current portion	49,000	(13,627)	35,373
At 1 January 2025	<b>128,034</b>	<b>(41,962)</b>	<b>86,072</b>
Movements	–	5,240	5,240
Derecognition and/or realisation	(29,627)	–	(29,627)
At 31 December 2025	<b>98,407</b>	<b>(36,722)</b>	<b>61,685</b>
Current portion	<b>97,407</b>	<b>(36,249)</b>	<b>61,158</b>
Non-current portion	<b>1,000</b>	<b>(473)</b>	<b>527</b>

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

	2025 RMB'000	2024 RMB'000
Listed equity investments, at fair value	<b>10,676</b>	–
Debt investments, at fair value	<b>54,598</b>	52,435
Total	<b>65,274</b>	52,435

The above debt investments were classified as financial assets at fair value through profit or loss as they were held for trading.

# Notes to Financial Statements

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## 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Listed equity investments were measured at fair value using quoted prices in active markets (Level 1). The movements in fair value measurements within Level 1 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Listed equity investments at fair value through profit or loss at 1 January	-	-
Additions	48,233	-
Disposal	(42,801)	-
Changes in fair value	5,244	-
Total	10,676	-

Debt investments were measured at fair value using significant unobservable inputs (Level 3). The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Debt investment at fair value through profit or loss at 1 January	52,435	17,048
Additions	15,633	43,140
Change in fair value	(13,470)	(4,753)
Settlement of debt investment	-	(3,000)
Total	54,598	52,435

## 22. CASH AND BANK BALANCE

	2025 RMB'000	2024 RMB'000
Cash and bank balances	9,014	11,229
Less: restricted cash	500	1,421
Cash and cash equivalents	8,514	9,808

At the end of the reporting period, the cash and bank balances of the Group denominated in Hong Kong dollars ("HKD") amounted to RMB2,182,000 (2024: RMB1,001,000). The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 31 December 2025, the restricted cash amounting to RMB500,000 (2024: RMB1,421,000) was frozen by the People's Court due to ongoing lawsuits. The related lawsuit reached a judgement in the Group's favor in February 2026, and the Group is in the process of applying for the relief of the restriction.

Cash at banks earns interest at floating rates based on daily bank deposit rates.



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## 25. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

### Deferred tax assets

	Lease liabilities RMB'000	Changes in fair value of IAFV RMB'000	Impairments of financial assets RMB'000	Total RMB'000
At 1 January 2024	1,494	2	2,875	4,371
Deferred tax (charged)/credited to profit or loss during the year (note 11)	(829)	17	(1,122)	(1,934)
At 31 December 2024 and 1 January 2025	665	19	1,753	2,437
Deferred tax (charged)/credited to profit or loss during the year (note 11)	(301)	5	(1,713)	(2,009)
At 31 December 2025	364	24	40	428

### Deferred tax liabilities

	Right-of-use assets RMB'000	Temporary differences resulting from investment properties RMB'000	Changes in fair value of FVTPL RMB'000	Total RMB'000
At 1 January 2024	1,476	270	-	1,746
Deferred tax (charged)/credited to profit or loss during the year (note 11)	(805)	475	-	(330)
At 31 December 2024 and 1 January 2025	671	745	-	1,416
Deferred tax (charged)/credited to profit or loss during the year (note 11)	(302)	(109)	749	338
At 31 December 2025	369	636	749	1,754

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2025, the Group did not recognise deferred tax assets of approximately RMB20,022,000 (2024: RMB22,410,000) in respect of losses amounting to approximately RMB80,089,000 (2024: RMB89,641,000), respectively, that can be carried forward to offset against future taxable income. These tax losses will expire by and including years 2026, 2027, 2028, 2029 and 2030.

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## 25. DEFERRED TAX (CONTINUED)

### Deferred tax liabilities (continued)

For presentation purposes, certain deferred tax assets and liabilities amounting to RMB364,000 have been offset in the statement of financial position as at 31 December 2025 (2024: RMB665,000). The following is an analysis of the deferred tax balances of the Group for financial reporting purpose.

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	64	1,772
Net deferred tax liabilities recognised in the consolidated statement of financial position	1,390	751

## 26. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid: 153,340,000 (2024:153,340,000) ordinary shares	153,340	153,340

The ordinary shares of the Company do not have a par value.

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue '000	Share capital RMB'000
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	153,340	153,340

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## 27. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 114 of the financial statements.

### (a) Capital reserve

The capital reserve represents equity transactions with non-controlling equity holders.

### (b) Share-based payment reserve

The share-based payment reserve represents the difference between the then fair value of the shares granted to the Group's employees in 2018 and the consideration of the shares received by the Company.

### (c) Statutory surplus reserves

Under PRC law, the Company and its subsidiaries registered in Chinese mainland are required to transfer 10% of their net profit determined under general accepted accounting principles in Chinese mainland non-distributable statutory surplus reserve. Appropriations to the statutory surplus reserve may cease when the balance of such reserve has reached 50% of the paid in capital of the respective entities. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant Chinese Mainland authorities. The statutory surplus reserve is not available for dividend distribution.

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

### (a) Major non-cash transactions

The Group had non-cash termination of right-of-use assets and lease liabilities of RMB97,000 (2024: RMB1,566,000) and RMB101,000 (2024: RMB1,536,000), and non-cash additions to right-of-use assets and lease liabilities of RMB178,000 (2024: nil) and RMB178,000 (2024: nil), respectively, in respect of lease arrangements for buildings.

The Group held an interest in Ningbo Meishan Bonded Harbor Ruichong Investment Management Partnership (Limited Partnership), an investment in a joint venture at fair value through profit or loss at a cost of RMB29,481,000 which primarily invested in distressed assets and was scheduled for liquidation and derecognition in November 2025, at which time two debt investments were distributed to the Group (note 7) which did not result in cash flow.

# Notes to Financial Statements

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

### (b) Changes in liabilities arising from financing activities

	<b>Interest bearing bank and other borrowings</b>	<b>Lease liabilities</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000
At 1 January 2024	25,564	6,368	31,932
Changes from financing cash flows	(8,134)	(2,197)	(10,331)
Accretion of interest	1,570	186	1,756
Lease termination	-	(1,536)	(1,536)
At 31 December 2024 and 1 January 2025	<b>19,000</b>	<b>2,821</b>	<b>21,821</b>
Changes from financing cash flows	(302)	(1,456)	(1,758)
New lease	-	178	178
Accretion of interest	738	105	843
Lease termination	-	(101)	(101)
At 31 December 2025	<b>19,436</b>	<b>1,547</b>	<b>20,983</b>

### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025	2024
	RMB'000	RMB'000
Within operating activities	124	650
Within financing activities	1,456	2,197
Total	<b>1,580</b>	<b>2,847</b>

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## 29. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

- (a) In November 2024, the Company, Shanghai Ruixiang, a subsidiary of the Company, and Mr. Zhu Ping (a director, the chairman of the board, the chief executive officer of the Company and a shareholder of the Company) were served with a litigation claim. 嵊泗彭博房地產開發有限公司 (Shengsi Pengbo Real Estate Development Co., Ltd. ("**Shengsi Pengbo**")) and 浙江安瀾酒店管理有限責任公司 (Zhejiang Anlan Hotel Management Co., Ltd. ("**Zhejiang Anlan**")) (collectively, the "**Plaintiffs**") were in bankruptcy stage and demand Shanghai Ruixiang to fulfil the equity holder's obligation to pay up capital of RMB200 million in aggregate to the Plaintiffs. The bankruptcy administrator alleges that the capital had been previously paid up but subsequently withdrawn by Shanghai Ruixiang and not used for the operations of Plaintiffs. The Company and Mr. Zhu Ping should also be held jointly and severally liable for this obligation of Shanghai Ruixiang.

The Group's legal counsel advises that Realway Capital Yingxin Selected Contractual Private Equity Fund ("**Yingxin Fund**") invested RMB201.3 million in Shengsi Pengbo in September 2020 and Shanghai Ruixiang acted as the fund manager. Neither Shanghai Ruixiang nor Yingxin Fund are controlling equity holder of the Plaintiffs and should not be legally subject to for the allegation for withdrawal of capital contribution and the investment had been fully completed and refunded from Shengsi Pengbo in February 2022. The Group's legal counsel is of the view that the investment was completed and refunded to Yingxin Fund at the time when the Plaintiffs were still in normal operation and the withdrawal had not caused deterioration to the financial position of the Plaintiffs. During the investment period, Shanghai Ruixiang, as the fund manager, only had the right of oversight of the fund investment but was unable to direct or control the use of the fund by the Plaintiffs.

Having taken such legal advice, the directors consider the allegation is without merit and no provision is required. The first court hearing was held on 29 April 2025, and no judgement has been made as at the date of this report.

- (b) An investor of two funds managed by Shanghai Ruixiang has initiated arbitration proceedings against Shanghai Ruixiang, claiming compensation of approximately RMB150 million for investment losses. The investor alleged that Shanghai Ruixiang, as fund manager, has breached its fiduciary and management duties during the investment period.

The investment losses of the funds primarily resulted from the decrease in value of the underlying real estate assets of the funds due to overall market downturn. The Group's external legal counsel is of the view that the investor's allegations lack factual and legal basis. Shanghai Ruixiang has performed its fiduciary and management duties as fund manager in accordance with the fund management contracts and relevant laws and regulations. As of the date of this report, the case has not yet been heard.

Based on the advice from the Group's external legal counsel, the directors consider that the allegation is without merit and, accordingly no provision is required at this stage.

## 30. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

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## 31. RELATED PARTY TRANSACTIONS

### (a) Significant related party transactions:

In addition to the transactions detailed elsewhere in note 14, the Group had the following material related party transactions:

	2025 RMB'000	2024 RMB'000
Borrowing from a director: Mr. Zhu Ping	481	19,000
Repayment of principal of borrowing to a director: Mr. Duan Kejian	45	-
Repayment of interests to directors Mr. Zhu Ping and Mr. Duan Kejian	732	309
Total	777	309
Repayment of the principal of borrowing to the ultimate holding Company: Shanghai Weimian Investment Partnership Enterprise (Limited Partnership)	-	9,745
Repayment of interest to the ultimate holding Company: Shanghai Weimian Investment Partnership Enterprise (Limited Partnership)	-	1,131
Total	-	10,876
Consulting Services provided by a close relative of Mr. Duan Kejian: Shanghai Feiding Construction Decoration Engineering Co., Ltd.	-	210
Consulting Services provided by a company of which Mr. Zhu Ping has equity interest: Shanghai Zunmian Business Information Management Co., Ltd.	268	317
Consulting services rendered to joint ventures: Guangzhou Zhongshunyi Management Consulting Co., Ltd. Zhejiang Furui Information Consulting Services Co., Ltd.	- 27	165 -
Consulting services rendered to the non-controlling shareholder of subsidiary: Shenzhen Xinhe Credit Management Co., Ltd.	4,709	-
Consulting services rendered to a company of which Mr. Zhu Ping has equity interest Shanghai Zunmian Business Information Management Co., Ltd.	399	-
Interest expense to the directors of the Company: Shanghai Weimian Investment Partnership Enterprise (Limited Partnership) Mr. Zhu Ping and Mr. Duan Kejian	- 732	215 309

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

# Notes to Financial Statements

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## 31. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Outstanding balances with related parties:

	2025 RMB'000	2024 RMB'000
Due from related companies:		
Trade-related:		
Associates (note 18)	16,163	29,152
Due from related companies:		
Non trade-related:		
Joint ventures	1,174	843
Due to related companies:		
Trade-related:		
An associate	2,348	2,335
Due to related companies:		
Non trade-related:		
Shenzhen Xinhe Credit Management Co., Ltd.	500	-
Mr. Zhu Ping and Mr. Duan Kejian*	19,436	19,000

\* The amounts have been granted by Mr. Duan Kejian for RMB8,955,000 at a fixed interest rate of 3% per annum, and Mr. Zhu Ping for RMB10,000,000 at a fixed interest rate of 3% per annum and RMB481,000 at a fixed interest rate of 0% per annum. Except for the foregoing interest-bearing borrowings, the balances with the above related parties were unsecured and repayable on demand, interest free. Further details of this related party loan are set out in note 24 and note 14 to the financial statements.

### (c) Compensation of key management personnel of the Group:

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

	2025 RMB'000	2024 RMB'000
Short term employee benefits	3,041	3,133
Post-employment benefits	528	529
Total compensation paid to key management personnel	3,569	3,662

# Notes to Financial Statements

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## 32. INTERESTS IN STRUCTURED ENTITIES

### (a) Interests in consolidated structured entities

For those structured entities where the Group is involved as a manager, investment adviser or general partner, the Group assesses whether the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of those structured entities that are of such significance that indicates that the Group is a principal, in that case the Group will consolidate in such structured entities.

No structured entity has been consolidated by the Group in the reporting period.

### (b) Interests in unconsolidated structured entities

The Group acts as a manager or general partner to exercise power over the structured entities. In the opinion of the Company's directors, the variable returns from these structured entities that the Group is exposed to, are not significant. The Group did not consolidate these structured entities.

The Group classified the investments in unconsolidated structured entities as investments in associates or joint ventures at fair value through profit or loss. As at 31 December 2025, the Group's investments in unconsolidated structured entities were RMB61.7 million (2024: RMB86.1 million).

The Group also acts as a fund manager for other structured entities without any capital investment. During the year ended 31 December 2025, the management fee derived from these unconsolidated structured entities amounting to RMB5.9 million (2024: RMB11.6 million).

As at 31 December 2025, the Group managed funds with a total AUM of approximately RMB2,011.0 million (31 December 2024: RMB2,053.4 million).

## 33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

### Financial assets

	2025 RMB'000	2024 RMB'000
<b>Measured at amortised cost:</b>		
Trade receivables	76,207	77,553
Financial assets included in prepayments, other receivables and other assets	4,985	4,854
Restricted cash	500	1,421
Cash and cash equivalents	8,514	9,808
Total	90,206	93,636
<b>Measured at fair value through profit or loss:</b>		
Financial assets at fair value through profit or loss	65,274	52,435
Total	155,480	146,071

# Notes to Financial Statements

31 December 2025

## 33. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

### Financial liabilities

	2025 RMB'000	2024 RMB'000
<b>Measured at amortised cost:</b>		
Interest-bearing other borrowings	19,436	19,000
Financial liabilities included in other payables and accruals	3,955	3,326
<b>Total</b>	<b>23,391</b>	<b>22,326</b>

## 34. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss (note 21)	65,274	52,435	65,274	52,435

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, interest-bearing other borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

# Notes to Financial Statements

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## 34. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

Below is a summary of valuation techniques, significant unobservable inputs used in the valuation of fair value, together with a quantitative sensitivity analysis of investments in associates or joint ventures at fair value through profit or loss and financial assets at fair value through profit or loss as at 31 December 2025 and 2024:

	<b>Fair value hierarchy</b>	<b>Valuation technique(s)</b>	<b>Significant unobservable input(s)</b>	<b>Relationship of unobservable input(s) and fair value</b>
Financial assets at fair value through profit or loss				
– Debt investments:	Level 3	Discounted cash flow method	Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value

In addition to financial assets at fair value through profit or loss, management also has assessed that the fair values of investments in associates or joint ventures at fair value through profit or loss. Below is a summary of valuation techniques, significant unobservable inputs used in the valuation of fair value, together with a quantitative sensitivity analysis of investments in associates or joint ventures at fair value through profit or loss as at 31 December 2025 and 2024:

	<b>Fair value hierarchy</b>	<b>Valuation technique(s)</b>	<b>Significant unobservable input(s)</b>	<b>Relationship of unobservable input(s) and fair value</b>
Investments in associates or joint ventures at fair value through profit or loss:	Level 3	Net asset value method	Net asset value of underlying investments	The higher the net asset value of underlying investments, the higher the fair value
– Other real estate projects*	Level 3	Discounted cash flow method	Risk-adjusted discount rates	The lower the risk-adjusted discount rates, the higher the fair value
– Other real estate projects*	Level 3	Comparison method	Adjusted market price	The higher the market price, the higher the fair value
– Debt investments: *	Level 3	Discounted cash flow method	Discount rates that correspond to the expected risk level	The lower the discount rates, the higher the fair value

\* These provide information about how underlying assets invested by the funds are measured at fair value.

# Notes to Financial Statements

31 December 2025

## 34. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The Group's investments in associates or joint ventures at fair value through profit or loss which were classified as financial assets at IAFV under level 3 hierarchy amounting to RMB60,953,000 as at 31 December 2025 (2024: RMB84,360,000). The significant unobservable input is the net asset value of the underlying investments held by the funds. A 5% increase/decrease in the net asset value of the underlying investments, holding all other variables constant, would increase/decrease the carrying amounts of these investments by RMB3,048,000 as at 31 December 2025 (2024: RMB4,218,000).

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	10,676	–	54,598	65,274
Investments in associates or joint ventures at fair value through profit or loss	732	–	60,953	61,685
Total	11,408	–	115,551	126,959

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	–	52,435	52,435
Investments in associates or joint ventures at fair value through profit or loss	1,712	–	84,360	86,072
Total	1,712	–	136,795	138,507

Notes 20 and 21 to the financial statements set out the movements in fair value measurements within Level 3 during the years ended 31 December 2024 and 2025.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities (2024: Nil).

# Notes to Financial Statements

31 December 2025

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

### Credit risk

The carrying amounts of cash and cash balances, trade receivables, financial assets included in prepayments, deposits and other receivables represent the Group's maximum exposure to credit risk in relation to its financial assets as at 31 December 2025.

The Group classifies financial instruments on the basis of shared credit risk characteristics, such as instrument types and credit risk ratings, for the purpose of determining significant increases in credit risk and calculation of impairment.

The Group's cash and cash balances were deposited in high-credit-quality financial institutions without significant credit risk.

The Group's trade receivables mainly represent regular management fees based on a predetermined fixed percentage of the asset value under management and paid out in the priority of the funds' distributable cash flows, and the directors of the Company are of the opinion that there is credit risk inherent in the Group's outstanding balance of trade receivables as at 31 December 2025.

Management makes periodic collective assessments for financial assets included in prepayments, deposits and other receivables as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience. The Group classified financial assets included in prepayments, deposits and other receivables in Stage 1 and continuously monitored their credit risk. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of financial assets included in prepayments, deposits and other receivables.

# Notes to Financial Statements

31 December 2025

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Maximum exposure and year-end staging as at 31 December 2025

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

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables (note 18)*	-	-	-	93,352	93,352
Financial assets included in prepayments, other receivables and other assets					
– Normal (note 19)**	5,807	-	-	-	5,807
Restricted cash (note 22)					
– Not yet past due	500	-	-	-	500
Cash and cash equivalents (note 22)					
– Not yet past due	8,514	-	-	-	8,514
<b>Total</b>	<b>14,821</b>	<b>-</b>	<b>-</b>	<b>93,352</b>	<b>108,173</b>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables (note 18)*	-	-	-	91,743	91,743
Financial assets included in prepayments, other receivables and other assets					
– Normal (note 19)**	5,691	-	-	-	5,691
Restricted cash (note 22)					
– Not yet past due	1,421	-	-	-	1,421
Cash and cash equivalents (note 22)					
– Not yet past due	9,808	-	-	-	9,808
<b>Total</b>	<b>16,920</b>	<b>-</b>	<b>-</b>	<b>91,743</b>	<b>108,663</b>

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the expected credit losses is disclosed in note 18 to the financial statements.

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

# Notes to Financial Statements

31 December 2025

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, convertible bonds, lease liabilities and other interest-bearing loans.

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

	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>31 December 2025</b>						
Interest-bearing other borrowings	-	-	19,742	-	-	19,742
Financial liabilities included in other payables and accruals	3,955	-	-	-	-	3,955
Lease liabilities	-	283	1,112	196	-	1,591
<b>Total contractual undiscounted payments</b>	<b>3,955</b>	<b>283</b>	<b>20,854</b>	<b>196</b>	<b>-</b>	<b>25,288</b>

	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>31 December 2024</b>						
Interest-bearing other borrowings	-	-	19,343	-	-	19,343
Financial liabilities included in other payables and accruals	3,326	-	-	-	-	3,326
Lease liabilities	-	298	1,168	1,498	-	2,964
<b>Total contractual undiscounted payments</b>	<b>3,326</b>	<b>298</b>	<b>20,511</b>	<b>1,498</b>	<b>-</b>	<b>25,633</b>

# Notes to Financial Statements

31 December 2025

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2025.

The Group monitors capital using a gearing ratio, which is total interest-bearing liabilities divided by the total equity. The gearing ratios as at the end of each of the reporting periods were as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Total interest-bearing liabilities (note 24)	19,436	19,000
Total equity	233,413	260,953
Gearing ratio	8.33%	7.28%

## 36. EVENTS AFTER THE REPORTING PERIOD

No information is received after the reporting period about conditions that existed at the end of the reporting period.

# Notes to Financial Statements

31 December 2025

## 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>		
Equipment	295	410
Right-of-use assets	385	693
Other intangible assets	177	242
Investments in subsidiaries	163,470	183,256
Investment in an associate	6,303	5,992
Investments in associates or joint ventures at fair value through profit or loss	-	36,907
Total non-current assets	170,630	227,500
<b>CURRENT ASSETS</b>		
Trade receivables	24,094	27,105
Due from subsidiaries	41,584	-
Prepayments, other receivables and other assets	1,792	3,114
Investments in associates or joint ventures at fair value through profit or loss	32,191	34,739
Restricted cash	150	514
Cash and cash equivalents	1,947	1,800
Total current assets	101,758	67,272
<b>CURRENT LIABILITIES</b>		
Other payables and accruals	1,694	1,221
Interest-bearing other borrowings	481	-
Lease liabilities	322	307
Total current liabilities	2,497	1,528
<b>NET CURRENT ASSETS</b>	99,261	65,744
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	269,891	293,244
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	1	1
Due to subsidiaries	9	23,440
Lease liabilities	60	382
Total non-current liabilities	70	23,823
<b>NET ASSETS</b>	269,821	269,421
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	153,340	153,340
Reserve	116,481	116,081
<b>TOTAL EQUITY</b>	269,821	269,421

# Notes to Financial Statements

31 December 2025

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

A summary of the Company's reserves is as follows:

	Share premium and capital reserve RMB'000	Statutory surplus reserves and other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	163,329	16,294	(26,508)	153,115
Total comprehensive loss for the year	-	-	(37,034)	(37,034)
At 31 December 2024 and 1 January 2025	<b>163,329</b>	<b>16,294</b>	<b>(63,542)</b>	<b>116,081</b>
Total comprehensive loss for the year	-	-	400	400
At 31 December 2025	<b>163,329</b>	<b>16,294</b>	<b>(63,142)</b>	<b>116,481</b>

## 38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.