



# 中金投集团

China Financial Services Holdings Ltd

## China Financial Services Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 605)



ANNUAL  
REPORT  
2025

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## CORPORATE INFORMATION

### DIRECTORS

#### *Executive Director*

Mr. Zhang Min (*Chief Executive Officer*)

#### *Independent Non-executive Directors*

Mr. Chan Chun Keung

Mr. Cheung Pak To (Appointed on 30 June 2025)

Mr. Lee Ka Wai

Madam Zhan Lili

Mr. Zhang Kun

Mr. John Paul Ribeiro (Resigned on 17 March 2025)

### COMPANY SECRETARY

Mr. Chung Chin Keung FCCA, FCPA, FCA, CTA

### AUDITORS

Baker Tilly Hong Kong Limited

*Certified Public Accountants*

Registered Public Interest Entity Auditors

### AUDIT COMMITTEE

Mr. Lee Ka Wai (*Chairman*)

Mr. Chan Chun Keung

Mr. Cheung Pak To (Appointed on 30 June 2025)

Madam Zhan Lili

Mr. Zhang Kun

### REMUNERATION COMMITTEE

Mr. Zhang Kun (*Chairman*)

Mr. Chan Chun Keung

Mr. Lee Ka Wai

Madam Zhan Lili

### NOMINATION COMMITTEE

Mr. Lee Ka Wai (*Chairman*)

Mr. Chan Chun Keung

Madam Zhan Lili

Mr. Zhang Kun

### BUSINESS RISKS COMMITTEE

Mr. Zhang Min (*Chairman*)

Mr. Chan Chun Keung

Mr. Cheung Pak To (Appointed on 30 June 2025)

Mr. Lee Ka Wai

Madam Zhan Lili

Mr. Zhang Kun

### SHARE REGISTRAR

Tricor Investor Services Limited

17/F,

Far East Finance Centre

16 Harcourt Road

Hong Kong

### REGISTERED OFFICE

Suite 5606

56th Floor

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

### STOCK CODE: 605

### WEBSITE

[www.cfsh.com.hk](http://www.cfsh.com.hk)

### INVESTORS RELATION

[0605ir@cfsh.com.hk](mailto:0605ir@cfsh.com.hk)

## FINANCIAL HIGHLIGHTS

	For the year ended		
	31 December	2024	Percentage
	2025	2024	change
	HK\$'000	HK\$'000	%
Interest and financing consultancy services income	<b>93,585</b>	101,595	(7.9%)
Profit for the year attributable to owners of the Company	<b>71,452</b>	41,232	73.3%
	<b>HK\$</b>	HK\$	
Basic earnings per share	<b>0.35</b>	0.20	75.0%

## CHAIRMAN'S STATEMENT

### Dear Shareholders,

On behalf of the board of directors (the "Board") of China Financial Services Holdings Limited (the "Company") together with its subsidiaries (collectively referred to as the "Group"), I am pleased to present the annual report of the Company for the year ended 31 December 2025.

In 2025, China's economy achieved a milestone of stability, with a year-on-year GDP growth of 5.0%, meeting the national target despite continued structural adjustments. The real estate sector, however, remained in a period of "searching for a bottom." National real estate development investment saw further contraction, while the industry's added value continued to face downward pressure as the market transitioned from a high-growth model to a quality-focused one. In response, the Group observed a significant shift in government strategy toward direct inventory absorption and the promotion of "inclusive finance," which provided a more structured framework for our micro-lending and mortgage operations.

In the financial services sector, 2025 was a year of resilience. While traditional banks increased their competitive pressure by expanding their reach into the small and micro-enterprise (SME) sector, our Group's specialized focus on property mortgage lending allowed us to maintain a unique market niche. By leveraging our refined digital risk control systems, we successfully navigated the volatility in property valuations. Our operations in first-tier cities – particularly Beijing and Shenzhen – continued to serve as our bedrock, benefiting from a "flight to quality" among borrowers and investors alike.

Looking ahead, the Group remains committed to a "stability-first" philosophy. As we enter 2026, we will focus on optimizing our capital structure and enhancing our service efficiency through technological integration. Our goal is to transform market challenges into opportunities for sustainable growth, ensuring that we continue to deliver long-term value to our shareholders.

### Zhang Min

*Acting Chairman*

Hong Kong, 27 March 2026



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Review

In 2025, the China real estate market entered its fifth year of adjustment. While the sharp declines of previous years began to moderate, overall investment and sales volumes remained under pressure. Notably, the market saw a continued rise in non-performing assets and court auctions, a trend that underscored the heightened credit risks within the broader economy. However, first-tier cities displayed remarkable resilience; for instance, residential prices in core areas of Beijing and Shanghai showed signs of stabilization by the second half of the year, supported by targeted easing of purchase restrictions.

On the global stage, the 2025-2026 period marked a significant shift in monetary dynamics. Following the aggressive tightening cycle of previous years, the US Federal Reserve maintained a “higher for longer” stance before signaling a cautious easing toward the end of 2025. This environment kept global US dollar liquidity tight for much of the year. For Hong Kong, the passive appreciation of the Hong Kong dollar (pegged to the US dollar) placed continued pressure on local borrowing costs. Despite these headwinds, the Hong Kong property market began to bottom out in late 2025, driven by the government’s talent attraction schemes and a gradual recovery in capital market activity.

### Business Review

In the challenging macro-economic and industry environment of the past year, the Group’s credit businesses in Mainland China and Hong Kong encountered heightened market competition. For the full year of 2025, the Group’s loan amount totalled approximately HK\$915,078,000, reflecting a year-on-year decrease of about 8.3% compared to the previous year. Undoubtedly, the Group faced significant challenges in expanding its business in the past year. In response to the overall economic downside risk, the Group conducted its loan business with more stringent credit control. The property market in Beijing has shown signs of recovery. The government’s policies aimed at stabilizing the market are beginning to take effect, but challenges remain. In Hong Kong, the government has introduced measures to support the market, but the overall sentiment remains cautious. Since the market value of properties pledged under secured loans has been stabilizing, the impairment loss for the Group’s loan receivables throughout the year totalled approximately HK\$19,356,000, representing a decrease of 30.4% when compared with the previous year.

The Group has consistently strived to maintain the level of non-performing loans within reasonable limits, avoiding any significant or widespread defaults and asset auctions that have occurred in other similar institutions. Despite the fierce market competition and complex industry environment, the Group has always prioritized risk management, ensuring the long-term stability and development of its business operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Future Prospects

As we look toward 2026, we anticipate a global economy characterized by “fragile recovery.” While the drag from the domestic property sector is expected to narrow, we remain vigilant regarding macro-economic uncertainties and potential shifts in international trade policies.

The Board remains optimistic about the Group’s future growth and is committed to maintaining a sustainable dividend policy. Our core focus for 2026 will be the integration of Generative AI and advanced data analytics into our credit assessment process to further reduce operational costs and enhance risk prevention.

### Business Objectives

**Institutional Trust:** Deepen relationships with institutional partners to diversify funding sources.

**Ethical Governance:** Maintain the highest standards of transparency and accountability in all decision-making processes.

**Product Innovation:** Introduce more flexible mortgage products tailored to the “New Citizen” and SME sectors in first-tier cities.

**Operational Excellence:** Achieve a further reduction in the cost-to-income ratio through digital transformation.

**Social Impact:** Support the national “Inclusive Finance” agenda by providing essential liquidity to under-served micro-enterprises.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Model

The Group is engaged in the provision of financing services in four operating regions, namely Hong Kong, Shenzhen, Chengdu and Beijing. The clients are individual customers and corporate customers located in Hong Kong and the PRC. The Group identifies potential customers through in-house sales teams, referrals and networks with commercial banks, property developers and small-to-medium sized enterprises. The Group has credit policies, guidelines, standard operating procedures and regional credit committee and the Group's loan approval committee and Business Risks Committee in place. The standard workflow of the loan origination includes (i) "know-your-client" background check, (ii) credit assessment, (iii) loan approval, (iv) execution of documents, (v) after-loan services and (vi) recovery and collection of loan.

The following is a summary of the key internal controls of the Group's loan financing operation:

- Background check** Various identification documents shall be provided by the loan applicant, which shall be reviewed and assessed. Information such as personal identification documents, corporate constitutional documents, business registrations, address proof, payroll or financial records, nature of business, type and value of collateral (for secured loan applications), and credit rating reports shall be collected. Each loan applicant shall complete a loan application form with his/her intended loan amount, term, purpose of the loan, repayment plan and proposed collateral/security to be offered.
- Credit assessments and loan approval** The client's background and information such as their financial capabilities, creditworthiness, repayment capacity, availability of guarantor(s), quality, validity and title deed and liquidity of collaterals, will then be assessed by the credit committee of the respective operating region. We collect and verify relevant documentation, analyze credit scores, employment history, and financial information to ensure responsible lending practices. Furthermore, we verify the ownership of the properties owned and provided by the clients as collaterals and review the incumbrances of those properties by checking public records. If the loan amount applied exceeds the approval limit of the regional credit committee but is not more than RMB30 million, then the loan application will be assessed by the Group's loan approval committee. For any loan principal exceeding RMB30 million, the approval from the Business Risks Committee is required. The management team shall consider whether the loan applications are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders as a whole. Whenever the loan transaction constitutes a discloseable transaction or above by assessment of size tests under Chapter 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or involves connected person(s) as defined under Chapter 14A of the Listing Rules, the loan transaction will be reported to the Board for their review and approval.

## MANAGEMENT DISCUSSION AND ANALYSIS

Execution of documents	Compliance procedures are in place to ensure adherence to all relevant laws and regulations such as anti-money laundering (AML), know your customer (KYC) requirements and any applicable lending regulations. All loan applications must be approved by the relevant approval committees. The proper execution of the loan documentations, contracts and agreement is under the supervision of the responsible officer, who communicates the loan terms clearly to the borrower. The finance department will be responsible for arranging for outflows of funds.
After-loan services	There will be continuous monitoring on the repayments from the borrower throughout the loan repayment period, regular communication with the borrower of its updated financial position, and regular review of the market value of the collateral(s) pledged.
Collection and recovery	Formal reminder and legal demand letter will be issued to the borrower whose payment is overdue. Legal action may be taken against the borrower for recovery of the amount due and taking possession of the collateral(s) pledged.

The Group offers secured and unsecured loans to individual and corporate clients. Most of the collaterals of secured loans are in the form of mortgages over residential and/or commercial properties owned by these clients. The total carrying amount (net of expected credit loss) of property mortgage loans accounted for approximately 82.2% of the entire loan portfolio of the Group as at 31 December 2025. For mortgage loans, the Group would consider the value of the collaterals and grants loans with a loan-to-value ratio (the “LTV Ratio”) of no more than 75%. The Group may require the borrower to deposit additional collateral or partially pay down/repay the loan principal if the LTV Ratio is over 75% under regular after-loan services. Unsecured loans accounted for approximately 12.1% of the entire loan portfolio of the Group. For the year ended 31 December 2025, the Group had 1,071 active customers, of which 1,031 of them were individual customers and the remaining 40 were corporate customers; and of which 532 of them were secured customers and 539 of them were unsecured customers. The interest and service fees charged at a range of monthly effective rates of 0.68% to 2.50% for PRC loans and the interest charged at a range of monthly effective rates of 0.35% to 3.82% for HK loans. A typical loan generally has a term of 90 days to 30 years. The Group conducts periodic reviews and evaluations of our lending procedures to assess their effectiveness and adapt them to the evolving risk landscape. This includes keeping up-to-date with industry best practices, regulatory changes, and employing advanced risk management tools and technologies.

The top five customers accounted for 21.78% of the total outstanding balances of the Group’s loan portfolio as of 31 December 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### *Interest and financing consultancy services income*

During the Financial Year, the Group's revenue principally derived from the interest and services income from loan financing services.

Under the challenging operating environment, the Group conducted its loan business cautiously with strategic focus on long-term business growth. Interest and financing consultancy services income for the Financial Year was approximately HK\$93,585,000, representing a decrease of about 7.9% compared to that of approximately HK\$101,595,000 last year. The decrease was mainly due to (i) the decline in revenue resulted from the uncertain economic environment; (ii) the Group conducting its loan business with more stringent credit control; and (iii) more cash being used to repay borrowings and loan payables instead of making new loans in Mainland China and Hong Kong.

The percentage of interest and financing consultancy services income contribution from different operating regions of the Group for both years is shown below:

	For the year ended 31 December	
	2025	2024
Beijing	<b>34.9%</b>	27.9%
Chengdu & Chongqing	<b>29.7%</b>	29.1%
Shenzhen	<b>11.6%</b>	12.9%
Hong Kong	<b>23.8%</b>	30.1%

#### *Interest and handling expenses*

Interest and handling expenses represent finance costs incurred for the Financial Year. The amount increased from approximately HK\$29,434,000 for last year, to approximately HK\$33,259,000 for the Financial Year, representing an increase of about 13.0%.

#### *Other income and other gains and losses*

Other income mainly includes bank interest income of approximately HK\$2,767,000, income from government subsidies of approximately HK\$1,152,000, dividend income from financial assets at fair value through profit or loss ("FVTPL") of HK\$104,000 and others of approximately HK\$1,454,000. Other gains and losses mainly include loss from changes in fair value of investment properties of approximately HK\$4,931,000, gain from changes in fair value of financial assets at FVTPL of approximately HK\$3,755,000, impairment losses on repossessed assets of approximately HK\$3,665,000, loss on disposal of repossessed assets of approximately HK\$3,838,000, gain on disposal of a subsidiary of approximately HK\$2,460,000, loss on step acquisition of subsidiaries of approximately HK\$686,000, and a net exchange loss of approximately HK\$4,266,000 was recognised in the Financial Year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Reversal of loan and interest payables and reversal of liabilities arising from loan guarantee contracts*

There was a one-off other income from reversal of loan and interest payables, and reversal of liabilities arising from loan guarantee contracts in the amounts of approximately HK\$86,967,000 and HK\$1,601,000 respectively during the Financial Year. The reversal of loan and interest payables and liabilities arises from loan guarantee contracts related to the Group, with the assistance of Zhongjin Jiasheng Investment Fund Management (Beijing) Co., Ltd\* (中金佳晟投資基金管理(北京)有限公司) (“Zhongjin Jiasheng”), successfully finalised and settled with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees, and hence, the respective interest payables was reversed to profit or loss during the Financial Year. Apart from those settled through Zhongjin Jiasheng, certain Unauthorised Loans and Unauthorised Guarantees were concluded through court decision and the respective loan and interest payables and liabilities arising from loan guarantee contracts were reversed to profit or loss during the Financial Year.

\* The English translation of Zhongjin Jiasheng’s name is for reference only. The official name of Zhongjin Jiasheng is in Chinese.

### *General and administrative expenses*

General and administrative expenses for the Financial Year decreased by 9.5% to approximately HK\$111,213,000, in which a service fee of about HK\$17,934,000 (2024: HK\$24,906,000) was charged by Zhongjin Jiasheng in relation to the settlement with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees. The general and administrative expenses primarily comprise of staff costs and related expenses, legal and professional fee, consultancy fee, depreciation of property, plant and equipment and general office expenses. The management will continue to monitor and ensure the proper implementation of its stringent measures on costs control to maintain general and administrative expenses at a reasonable level.

### *Profit for the year*

Profit for the year attributable to owners of the Company was approximately HK\$71,452,000, as compared to profit of approximately HK\$41,232,000 for the last year. The increase in profit for the Financial Year was mainly due to (i) a reversal of loan and interest payables, liabilities from loan guarantee contracts amounting to approximately HK\$86,967,000 and HK\$1,601,000 respectively resulted from the successful finalisation and settlement with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees; (ii) write-back of over-provision of PRC enterprise income tax in respect of the Incidents of approximately HK\$57,762,000; and (iii) decrease in impairment loss on loan receivables as there was sight of gradual recovery in China’s property market in 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Liquidity and Financial Resources*

The Group adopts a prudent cash and financial management policy. Funds are maintained at a sound and healthy financial resource level. The Group's net current assets and equity attributable to owners of the Company as at the end of the Financial Year were approximately HK\$370,443,000 and approximately HK\$748,817,000 respectively. The Group's outstanding borrowings and loan payables and unsecured bonds as at the end of the Financial Year amounted to approximately HK\$579,292,000, showing a decrease of approximately 13.8% as compared with that of last year, which are all due within one year. There is no funding requirements for capital expenditure commitments for the Financial Year.

### *Capital Management*

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. All the borrowings and loan payables are at fixed interest rates. The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

Based on the Group's current and anticipated level of operation, the Group's future operations and capital requirements will be mainly financed through borrowings and share capital. There were no significant commitments for capital expenditure as at 31 December 2025.

### *Ratio*

As at the end of the Reporting Period, the current ratio<sup>(i)</sup> and the gearing ratio<sup>(ii)</sup> of the Group are 1.43 and 0.36 respectively.

Notes:

- (i) Current ratio was calculated by dividing current assets by current liabilities as at the end of the Reporting Period.
- (ii) Gearing ratio was calculated by dividing interest bearing net debts (borrowings and loan payables plus unsecured bonds less cash and cash equivalents) by total equity as at the end of the Reporting Period.

### *Employee and Remuneration Policies*

As of 31 December 2025, the Group had approximately 117 employees (including senior management) in the PRC and Hong Kong, of which 66 were female employees. Competitive remuneration packages and performance-based bonuses are structured to commensurate with individual responsibilities, qualifications, experience, and performance. Total staff costs for the Financial Year were approximately HK\$47,178,000, showing a decrease of approximately 4.5% as compared to the figure of the previous year. The Group has also implemented training programs for staff training and development covering various aspects.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Charge on assets*

As of 31 December 2025, certain properties mortgaged to a subsidiary of the Company by its respective customers were pledged to secure loan facilities granted to the Group with a carrying value of approximately HK\$5,500,000. As of 31 December 2025, the Group had pledged its mortgage loan receivables with net book value of approximately HK\$6,500,000 to secure loan facilities granted to the Group.

### *Fair Value Estimation*

The carrying amounts less impairment provision of the financial assets and the carrying amounts of the financial liabilities are assumed to approximate their fair values.

### *Capital Commitments and Contingent Liabilities*

The Group had no material capital commitments or contingent liabilities as at the end of the Financial Year.

### *Foreign Exchange Exposure*

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB") and Hong Kong Dollars ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against RMB. The Group has a net exchange exposure to RMB as the Group's assets are principally located in the PRC. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented in a timely and effective manner. As at the end of the Financial Year, loan payables arising from the Incidents involving the Unauthorised Loans (as referred to in note 26(c) to the consolidated financial statements) amounted to approximately HK\$300,599,000 are denominated in RMB and cash and cash equivalents amounted to approximately HK\$257,999,000 are denominated in RMB. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure to fluctuations in exchange rates as of 31 December 2025.

### *Significant Investments Held, Material Acquisitions and Disposals*

The Group did not hold any significant investments representing 5% or more of the Group's total assets as at the end of the Reporting Period. The Group does not have any detailed plans for material investments in the near future.

On 31 July 2025, Noble Lion Education Company Limited, a wholly owned subsidiary of the Company, accepted the transfer of 15% equity interest in KGH Holdings Limited ("KGH"), a company incorporated in the Republic of Seychelles, in full settlement of the outstanding profit guarantee due to the Group in the amount of GBP853,000 (equivalent to HK\$8,316,000). Furthermore, on the same date, K.P.I. Development Limited, an indirect wholly-owned subsidiary of the Company, obtained control of the collateral, which represents 20% equity interest in KGH held by the debtors, following the enforcement of its creditor's right against the debtor with loan receivables at carrying amount of HK\$7,523,000. Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Future plans for material investments or capital assets

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets as at 31 December 2025.

### Equity fund raising

There was no equity fund raising activity by the Company for the year ended 31 December 2025, nor was there any unutilised proceeds brought forward from any issue of equity securities made in previous financial years.

### Event after the Reporting Period

There are no important events after the Reporting Period and up to the date of this report.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### Executive Director

**Mr. Zhang Min**, aged 68, has extensive experience in finance and banking industry. Mr. Zhang joined the Group in December 2021 as a non-executive director of the Company and was re-designated as an executive director of the Company on 17 October 2022 and appointed as the chief executive officer of the Company on 22 November 2022. Mr. Zhang is also the chairman of the Business Risks Committee and the acting chairman of the Board.

Mr. Zhang holds a Bachelor of Philosophy Degree from the Beijing Normal College and a master of Laws Degree from the Renmin University of China. From 23 March 2015 to 16 August 2024, he was an independent non-executive director of China Eco-Farming Limited (stock code: 8166), a company previously listed on the GEM of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and which was delisted with effect from 16 August 2024. Mr. Zhang was the vice chairman of the board of directors and an executive director of Standard Development Group Limited (stock code: 1867) from 9 January 2025 to 25 April 2025. He was an executive director of Value Convergence Holdings Limited (stock code: 821), from 25 June 2018 to 3 December 2019. He was appointed as the chief executive officer and an executive director of Macrolink Capital Holdings Limited (which was delisted with effect from 19 March 2024) (stock code: 758) from 10 August 2016 to 22 August 2018. He was appointed as a non-executive director of GoFintech Quantum Innovation Limited (stock code: 290) on 8 December 2010, and was redesignated and appointed as the chairman of the board of directors, executive director and a member of the remuneration committee of the company from 12 April 2011 to 30 June 2014. In addition, he was an independent non-executive director of Silver Base Group Holdings Limited (which was delisted with effect from 4 December 2023) (stock code: 886) from 28 January 2011 to 1 April 2014.

Mr. Zhang was also the chief marketing officer of China Cinda Asset Management Co., Ltd from 28 April 2011 to 31 August 2013 and was the chief executive of China Construction Bank Corporation, Hong Kong Branch, from September 2006 to March 2011 and a director of CCB International (Holdings) Limited and China Construction Bank (Asia) Corporation Limited from August 2006 to March 2011. Both CCB International (Holdings) Limited and China Construction Bank (Asia) Corporation Limited are wholly-owned subsidiaries of China Construction Bank Corporation (together with its subsidiaries referred to as the “CCBC Group”), a joint stock company incorporated in the PRC with limited liability, whose issued shares are listed on the main board of the Stock Exchange. He was the president of the Beijing Banking Association from 2003 to 2005 and the Beijing Investment Institution from 2001 to 2006. Mr. Zhang possesses over 20 years’ experience in the banking industry through his work with the CCBC Group.

Mr. Zhang does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### Independent Non-Executive Directors

**Mr. Chan Chun Keung**, aged 75, joined the Group in November 2000. Mr. Chan has extensive experience in trading and investment in the PRC and is currently a consultant of All-China Federation of Returned Overseas Chinese and a member of Election Committee in Hong Kong. Mr. Chan is a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Business Risks Committee of the Company.

Mr. Chan does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

**Mr. Cheung Pak To**, *BBS*, aged 76, joined the Group in June 2025. Mr. Cheung is a member of the Audit Committee and the Business Risks Committee of the Company.

Mr. Cheung is currently an independent non-executive director of Minshang Creative Technology Holdings Limited (stock code: 1632) from July 2018, Greenheart Group Limited (stock code: 0094) from June 2019 and Virtual Mind Holding Company Limited (stock code: 1520) from November 2025, all companies are listed on the Main Board of the Stock Exchange. Mr. Cheung formerly served as an executive director of 3DG Holdings (International) Limited (stock code: 2882), from November 2012 to June 2015, and re-designated as its non-executive director, from July 2015 to November 2017. He was also an independent non-executive director of National Agricultural Holdings Limited (stock code: 1236, currently delisted), from January 2017 to November 2019 and Amasse Capital Holdings Limited (stock code: 8168), a company listed on GEM of the Stock Exchange, from March 2018 to February 2026. Mr. Cheung holds a master's degree in public administration from the University of Hong Kong. Mr. Cheung has extensive management and administrative experiences. From 1969, Mr. Cheung served with the United Kingdom Government, British Forces in Hong Kong for 21 years, with his final post as a Civilian Executive Officer. Thereafter from 1989, he was employed by the Securities and Futures Commission of Hong Kong for 20 years, with his final position as Senior Manager of the Finance & Administration Department. On the social and community responsibilities front, Mr. Cheung was a devoted volunteer officer in the Hong Kong Civil Aid Service for 30 years during which he was appointed as honorary Aide-de-Camp to Governors Lord Wilson and Mr. Christopher Patten; and Chief Executive Mr. Tung Chee-hwa for 10 consecutive years from 1990 to 1999. Mr. Cheung achieved the rank of Assistant Commissioner in the Hong Kong Civil Aid Service and was awarded the Bronze Bauhinia Star by the Hong Kong Government in 2003. Mr. Cheung has been the chairman of United Services Recreation Club Limited since June 2015.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Cheung does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

**Mr. Lee Ka Wai**, aged 38, joined the Group in May 2021. Mr. Lee has extensive experience in auditing and finance. Mr. Lee had worked for an international accounting firm providing assurance services to a number of listed companies in Hong Kong. Mr. Lee holds a Bachelor Degree of Commerce in Accounting from Hong Kong Shue Yan University and is a practising member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee is the chairman of the Audit Committee and the Nomination Committee, and a member of the Remuneration Committee and the Business Risks Committee of the Company.

Mr. Lee does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

**Mr. Zhang Kun**, aged 43, joined the Group in March 2023. Mr. Zhang has extensive experience in corporate finance, investments and international capital markets. Mr. Zhang is currently the chairman of the board of directors and chief executive officer of Templewater Holdings Limited, a private equity investment and alternative asset management firm of which he co-founded in March 2019. He is also the chairman of the board of directors of New World First Bus and CityBus since October 2020. Mr. Zhang has previously worked in Chow Tai Fook Enterprises Limited as well as the Corporate Finance Division of Deutsche Bank AG and The Hongkong and Shanghai Banking Corporation Limited. Mr. Zhang has been a member of the Beijing Municipal Committee of the 14th Chinese People's Political Consultative Conference since January 2023. Mr. Zhang holds a Bachelor of Applied Science degree in Electrical Engineering from the University of Waterloo in Canada and a Master of Science degree from Harvard University in the United States of America. Mr. Zhang is the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Business Risks Committee of the Company.

Mr. Zhang does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**Madam Zhan Lili**, aged 53, joined the Group in May 2018. Madam Zhan completed her studies in business administration at the Faculty of Business Administration of Capital University of Economics and Business in 2003. Madam Zhan was an assistant to the General Manager of Tomson (Shanghai) Company Limited from 2000 to 2001. She worked in the human resource department of the Beijing branch of Industrial Bank Co., Ltd. from 2003 to 2007 and was a president assistant of Beijing Hai Dian Science & Technology Development Co., Ltd., a company engaged in electronics and information technology, environmental protection materials, property development and e-business, from 2007 to 2015. From 2008 to 2017, she worked as an independent non-executive director of Bloomage BioTechnology Cooperation Limited (a company which was withdrawn from listing on the Stock Exchange in 2017) and Hiersun Industrial Co., Ltd. Madam Zhan is a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Business Risks Committee of the Company.

Madam Zhan does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

### Senior Management

**Mr. Chung Chin Keung**, aged 58, is the company secretary and financial controller of the Group. He joined the Group in October 2004. Mr. Chung holds a Bachelor Degree of Business Administration from the Hong Kong Baptist University and a Master Degree in Business Administration from Manchester Business School. He has more than 25 years of experience in finance, accounting and management. Before joining the Group, Mr. Chung worked for various listed companies in Hong Kong and overseas and was a company secretary for a listed company in Hong Kong. Mr. Chung is a fellow member of The Association of Chartered Certified Accountants, a fellow member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Institute of Chartered Accountants in England and Wales and a member of The Taxation Institute of Hong Kong. Mr. Chung is responsible for the daily management of the business operation in Hong Kong.

**Ms. Tsui Yan Tung**, aged 39, is the investment director of the Company. Ms. Tsui joined the Group in August 2016 and she is responsible for the Company's capital market activities, investor relations and the risk management of the lending business in Hong Kong. Prior to joining the Company, Ms. Tsui was a Vice President at LST Partners, a Hong Kong-based hedge fund. She was responsible for investment analysis and risk management. Previously, she worked at China Construction Bank International (CCBI) Securities for over 5 years as Institutional Sales and Research Analyst.

Ms. Tsui is a Chartered Financial Analyst (CFA). She holds a BBA in Global Business and Finance from the Hong Kong University of Science and Technology.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**Ms. Tsui Kwan Ha**, aged 32, joined the Group in July 2021. She is the assistant financial controller of the Group and responsible for financial and accounting reporting of the Group.

Prior to joining the Group, Ms. Tsui had worked for several international accounting firms providing assurance services to a number of listed companies in Hong Kong. Ms. Tsui holds a Bachelor Degree of Commerce in Accounting from Hong Kong Baptist University and is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

**Mr. Yang Wu**, aged 52, joined the Group in March 2010. He is currently the general manager of Chengdu Vision Credit Limited, overseeing the business operation of the Chengdu's business.

Prior to joining the Group, Mr. Yang was a project manager of Beijing Boroto Pawn Shop and was an account manager of Bank of China, Hubei Xiaogan Branch.

Mr. Yang obtained an associate degree in accounting.

**Mr. Dong Jing Lei**, aged 39, joined the Group in 2012 as a credit manager. He was the deputy general manager of Chengdu Vision Credit Limited in 2017 and is currently the deputy general manager of Shenzhen Credit Gain Finance Company Limited. Mr. Dong is responsible for daily operation of the Shenzhen's business.

Prior to joining the Group, Mr. Dong worked for the legal department in Beijing office of Huatai Property & Casualty Insurance Co., Ltd. Mr. Dong holds a Bachelor Degree in law from the Beijing Technology and Business University.

## REPORT OF THE DIRECTORS

The directors present herewith their report and the audited financial statements of the Company and the Group for the Reporting Period.

### Principal Activities and Business Review

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 15 to the financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Cap 622 of the laws of Hong Kong), including a description of the principal risks and uncertainties faced by the Group and an indication of likely future development in the Group's business, can be found in the Chairman's Statement set out on page 4 and Management Discussion and Analysis set out on pages 5 to 13 of this annual report. This discussion forms part of this director's report.

### Principal Risks and Uncertainties

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

The Group adopts a comprehensive risk management framework. Risk management policies and procedures are regularly reviewed and updated to react to changes in market conditions and the Group's business strategy.

#### Market Risk

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Liquidity Risk

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

#### Credit Risk

Credit risk is the risk of losses arising from clients or counterparties failing to make payments as contracted. Further discussion on financial risk management is outlined in note 41 to the consolidated financial statements.

## REPORT OF THE DIRECTORS

### Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and procedures, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels.

Operational risk is mitigated and controlled through establishing robust internal controls, setting out clear lines of responsibility, proper segregation of duties and effective internal reporting and contingency planning. It is our corporate culture that the business and operating line management are fully aware of, and responsible for, managing the operational risks of their business units on a day-to-day basis.

### Key Relationships with Employees, Customers and Suppliers

In order to sustain a stable development of the Group, we understand that a good and close relationship with employees, customers and suppliers is one of the key factors to achieve it.

The Group provides a competitive remuneration package and career development opportunities to our employees. We also maintain a safe and healthy working environment.

The Group provides quality services and handles customer needs carefully. In order to meet customer expectations, we ensure there is adequate communication and offer customers with different solutions. We are committed to using our best effort to maintain long term relationships with customers.

The Group has developed good and long-term relationships with our suppliers to maintain steady supplies with good qualities. We proactively communicate with our suppliers and perform regular quality control to ensure the quality of supplies.

### Environmental Policy and Performance

The Group is committed to supporting environmental sustainability. Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. The Group encourages environmental protection and promotes awareness towards environmental protection to the employees. Our Group adheres to the principles of recycling and waste reduction.

It implements green office practices such as double-sided printing and photocopying, promoting paperless working environment and reducing energy consumption by switching off unnecessary lighting and idle electrical appliances. The Group will review its environmental practices from time to time and implement further eco-friendly measures and practices in the operation of its businesses to enhance environmental sustainability.

### Compliance with the Relevant Laws and Regulations

During the Reporting Period, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

## REPORT OF THE DIRECTORS

### Property, Plant and Equipment

Details of movements in property, plant and equipment of the Group are set out in note 13 to the financial statements.

### Segment Information

An analysis of the Group's segment revenue, results, assets and liabilities for the Reporting Period is set out in note 5 to the financial statements.

### Results and Dividends

The Group's profit for the Reporting Period and the state of affairs of the Company and the Group as at the end of the Reporting Period are set out in the financial statements on pages 102 to 216. The directors do not recommend payment of a final dividend for the Financial Year (2024: Nil), to shareholders of the Company.

### Reserves

Details of movements in the reserves of the Company and of the Group during the Financial Year are set out in note 34 to the financial statements and "Consolidated Statement of Changes in Equity" on page 106.

### Distributable Reserves

As at 31 December 2025, the Company did not have distributable reserve to shareholders in accordance with the provision of Section 297 of the Companies Ordinance (2024: Nil).

### Share Capital and Share Options

Details of movements in share capital and share options of the Company during the Financial Year, together with the reasons therefore, are set out in notes 33 and 36 to the financial statements, respectively.

### Borrowings and Loan Payables

Details of borrowings and loan payables of the Company and its subsidiaries as at 31 December 2025 are set out in note 26 to the financial statements.

### Remuneration Policy

The remuneration of employees (including Directors and senior management of the Group) is determined with reference to their qualification, expertise and experience in the industry, competence, duties and responsibilities within the Group, the performance and profitability of the Group as well as the market benchmark and the prevailing market conditions. Employees shall also be eligible to receive a discretionary year-end incentive bonus, which shall be determined by the Group at its absolute discretion taking into account, inter alia, the Group's operating performance, market conditions in which the Group operates and the individual's performance, payable at such time as the Group may consider appropriate, and discretionary share options.

## REPORT OF THE DIRECTORS

### Summary Financial Information

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five years, as extracted from the audited financial statements in this report, is set out on page 218. This summary does not form part of the consolidated financial statements in this annual report.

### Major Customers and Suppliers

The Group is principally engaged in provision of short term financing services. The five largest customers and suppliers of the Group accounted for less than 30% of the Group's revenue and purchases respectively during the Reporting Period.

As far as the directors are aware, none of the directors, their close associates nor any shareholder of the Company (which, to the best of knowledge of the directors, owns more than 5% of the Company's share capital (excluding treasury shares)) had any beneficial interest in these major customers or suppliers.

### Directors

The directors of the Company who held office during the year and up to the date of this report were:

#### *Executive Director*

Zhang Min (*Chief Executive Officer*)

#### *Independent Non-executive Directors*

Chan Chun Keung

Cheung Pak To (Appointed on 30 June 2025)

Lee Ka Wai

Zhan Lili

Zhang Kun

John Paul Ribeiro (Resigned on 17 March 2025)

According to Article 109(A) of the Company's Articles of Association, Mr. Zhang Min and Madam Zhan Lili shall retire by rotation at the annual general meeting. Mr. Zhang Min will offer himself for re-election at the annual general meeting. Madam Zhan Lili will retire from her office as Director upon conclusion of the annual general meeting. Mr. Cheung Pak To, who has been appointed by the Board as an independent non-executive Director, shall hold office until the annual general meeting and he will offer himself for re-election at the annual general meeting. The directors of the Company, including the independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## REPORT OF THE DIRECTORS

The persons who were directors of the subsidiaries of the Company during the Reporting Period and up to the date of this report:–

Chung Chin Keung  
Cui Qingxiao  
Huang Zhenyu  
Jiaxin Liu  
Peng Kai  
Tang Yakun  
Tsui Yan Tung  
Xie Xin  
Yang Lei  
Yang Senjie  
Yang Wu  
Zhang Min  
Zhong Liang

### Directors' Service Contracts

Independent non-executive directors, namely (i) Mr. Chan Chun Keung entered into service contracts with the Company for a term of one year commencing on 9 September 2004, (ii) Madam Zhan Lili has entered into a service contract with the Company for one year commencing on 21 May 2018, (iii) Mr. Lee Ka Wai has entered into a service contract with the Company for one year commencing on 31 May 2021, (iv) Mr. Zhang Kun has entered into a service contract with the Company for one year commencing on 13 March 2023, and (v) Mr. Cheung Pak To has entered into a service contract with the Company for one year commencing on 30 June 2025. All the service contracts are automatically renewed on a yearly basis. All independent non-executive directors are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the Articles of Association of the Company.

Either party may terminate the contract by giving not less than one month notice in writing or payment of remuneration in lieu of such notice or the unexpired part of such period. Their remuneration is determined by the board of directors on the anniversary of the dates of their appointments.

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensation.

### Directors' and Controlling Shareholders' Interests in Contracts

Save as disclosed under note 40 to the financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director or an entity connected with a director is or was materially interested, whether directly or indirectly, and no contracts of significance, whether for provision of services or otherwise, between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

## REPORT OF THE DIRECTORS

### Directors' Interests in Competing Business

None of the Directors or any of their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the Reporting Period.

### Management Contract

Save for service contracts and employment contracts, no contracts concerning the management and administration of the whole or substantial part of any business of the Company were entered into or subsisted during the Reporting Period.

### Indemnity of Directors

A permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the Directors is currently in force and was in force throughout the Financial Year.

### Directors' and Chief Executive's Interests and/or Short Positions in the Securities of the Company and its Associated Corporations

As at 31 December 2025, none of the directors and the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or 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")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in Appendix C3 to the Listing Rules.

### Directors' Rights to Acquire Shares

Save as disclosed under the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in the Securities of the Company and its Associated Corporations" above and "Share Option Scheme" below, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## REPORT OF THE DIRECTORS

### Interests of Substantial Shareholders

As at 31 December 2025, so far as is known to the Directors, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

#### *Long Positions in Shares and Underlying Shares of the Company*

<b>Name</b>	<b>Capacity</b>	<b>Number of Ordinary Shares held</b>	<b>Aggregate Long Position in Shares and Underlying Shares to Issued Share Capital</b> (Note 4)
Cheung Siu Lam	Beneficial owner of 86,003,712 ordinary shares, interest of spouse of 29,685,300 ordinary shares (Note 1)	115,689,012	55.28%
Lo Wan	Beneficial owner of 25,365,300 ordinary shares, interest in controlled corporation of 4,320,000 ordinary shares (Note 3), interest of spouse of 86,003,712 ordinary shares (Note 2)	115,689,012	55.28%

Notes:

1. By virtue of the SFO, Cheung Siu Lam is deemed to be interested in 29,685,300 ordinary shares held by his spouse, Lo Wan.
2. By virtue of the SFO, Lo Wan, being spouse of Cheung Siu Lam, is deemed to be interested in 86,003,712 ordinary shares held by Cheung Siu Lam.
3. Arbalice Holdings Limited is beneficially owned by Lo Wan. By virtue of the SFO, Lo Wan is deemed to be interested in 4,320,000 shares held by Arbalice Holdings Limited.
4. The percentage is calculated based on the total number of issued shares as at 31 December 2025.

Save as disclosed above, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## REPORT OF THE DIRECTORS

### Share Option Scheme

The Company adopted a share option scheme on 7 June 2004 (the “2004 Scheme”) which was terminated on 6 June 2014. The Company adopted a new share option scheme (the “2014 Scheme”) at the Company’s annual general meeting held on 20 May 2014. Unless otherwise cancelled or amended, the 2014 Scheme would remain in force for 10 years from that date. The 2014 Scheme expired on 19 May 2024.

Subsequent to the termination of the 2004 Scheme and the expiry of the 2014 Scheme, no further option can be granted thereunder but in all other respects, the provisions of the 2004 Scheme and the 2014 Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith. As at 1 January 2025 and 31 December 2025, all share options granted under the 2004 Scheme have lapsed and there were no more outstanding share options under the 2004 Scheme.

The following table shows the movements of the outstanding share options under the 2014 Scheme during the Reporting Period:

Type of participant	Date of Grant	Vesting Period	Exercise Period	Number of shares					Outstanding at 31 December 2025	Exercise price per share HK\$	Closing price of the securities immediately before the date on which the options were granted HK\$
				Outstanding at 1 January 2025	Granted and Vested during the Reporting Period (Note 1)	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period			
Service providers	26.08.15	26.08.15-25.08.18	26.08.16-25.08.25	2,750,000	-	-	-	(2,750,000)	-	10.92	9.80

Notes:

- All outstanding share options at the beginning of the Reporting Period have vested upon grant and were exercisable during the Reporting Period before they lapsed.

As at 1 January 2025 and 31 December 2025, no options were available for grant under the 2004 Scheme as the scheme was terminated on 6 June 2014, and no further options were available for grant under the 2014 Scheme due to its expiry on 19 May 2024. Accordingly, no options were granted during the Reporting Period and no shares may be issued in respect of options granted during the Reporting Period. There is no share available for issue under the 2014 Scheme (including options granted but not yet exercised and options available for issue) as at the date of this report.

### Share Award Scheme

The Company adopted the share award scheme (the “Share Award Scheme”) on 14 January 2019 which was terminated on 7 October 2024. No awards have been granted since the adoption of the Share Award Scheme, and subsequent to its termination, no further award can be granted thereunder. As at 1 January 2025 and 31 December 2025, there were no outstanding awards under the Share Award Scheme.

## REPORT OF THE DIRECTORS

### Related Party Transactions

Details of the significant related party transactions undertaken in the normal course of business of the Group during the Reporting Period are provided under note 40 to the consolidated financial statements. Some of the related party transactions are connected transactions under Chapter 14A of the Listing Rules (outlined in note 40(b) and (c) to the consolidated financial statements) but are fully exempted from relevant reporting requirements. The Company has complied with the disclosure requirements (if any) in accordance with Chapter 14A of the Listing Rules.

### Purchase, Sale or Redemption of the Company's Listed Securities

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its securities (including the sale of treasury shares) during the Reporting Period. As at 31 December 2025, there were no treasury shares held by the Company.

### Retirement Schemes

The Group also operates a Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance, and participates in various defined contribution retirement plans organised by the relevant authorities for its employees in the PRC.

### Corporate Governance

Details of the corporate governance are set out in the section headed "Corporate Governance Report" in this annual report.

## REPORT OF THE DIRECTORS

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and to the knowledge of the directors, the directors confirm that the Company has maintained the amount of public float as required under the Listing Rules during the Reporting Period.

### Change of Auditors

Baker Tilly Hong Kong Limited has been appointed as auditors of the Company following the retirement of Crowe (HK) CPA Limited at the annual general meeting of the Company held on 25 April 2022.

Save for the above, there were no changes to the auditors of the Company in the preceding three years.

### Auditors

The financial statements have been audited by Baker Tilly Hong Kong Limited, Certified Public Accountants. A resolution for their re-appointment as the Company's auditor for the ensuing year is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the board

**Zhang Min**

*Executive Director and Chief Executive Officer*

Hong Kong, 27 March 2026

## CORPORATE GOVERNANCE REPORT

The Board of Directors (the “Board” or the “Directors”) is pleased to report to the shareholders on the corporate governance of the Company for the Reporting Period.

### Corporate Governance Practices

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company and its subsidiaries (the “Group”) to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Listing Rules as the basis of the Company’s corporate governance practices.

The Board is of the view that throughout the Reporting Period, the Company has complied with the code provisions as set out in the CG Code, except for code provisions C.2.1, C.5.1 and C.1.6, and the details of which are set out below.

#### *Code Provision C.2.1*

Code provision C.2.1 of CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Zhang Min, the Chief Executive Officer, has assumed the duties of Chairman of the Board during the Reporting Period. The Board is taking active steps to select a suitable Chairman to fulfill this code provision.

The Board considers that the Chairman’s responsibilities are to manage the Board whereas the Chief Executive Officer’s responsibilities are to manage the Company’s businesses. The responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence written terms thereof are not necessary.

## CORPORATE GOVERNANCE REPORT

### *Code Provision C.5.1*

Code provision C.5.1 of CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

The Board held five board meetings during the Financial Year, with only two regular board meetings approving the final results of the Group for the year ended 31 December 2024 and interim results of the Group for the period ended 30 June 2025. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary. However, apart from the regular board meetings of the Reporting Period, the Board also met on three other occasions when a Board-level decision on a particular matter was required. During the Reporting Period, the management provided all members of the Board with updates from time to time as necessary to give a balanced and understandable assessment of the Company's performance, position and prospects.

### *Code Provision C.1.6*

Code provision C.1.6 of CG Code stipulates that independent non-executive directors and other non-executive directors generally should attend general meetings.

Mr. Zhang Kun, the independent non-executive director of the Company, was unable to attend the annual general meeting and extraordinary general meeting both held on 3 June 2025 due to his other work commitment.

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the relevant code provisions in the CG Code.

## Board of Directors

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a director to perform his responsibilities to the Company, and whether the director is spending sufficient time performing them.

## CORPORATE GOVERNANCE REPORT

### *Board Composition*

The Board currently comprises six directors, consisting of one executive director and five independent non-executive directors, as follows:

#### **Executive Director**

Mr. Zhang Min (*Chief Executive Officer and Chairman of Business Risks Committee*)

#### **Independent Non-executive Directors**

Mr. Chan Chun Keung (*Member of the Audit Committee, Remuneration Committee, Nomination Committee and Business Risks Committee*)

Mr. Cheung Pak To (*Member of the Audit Committee and Business Risks Committee*)

Mr. Lee Ka Wai (*Chairman of the Audit Committee and the Nomination Committee, member of Remuneration Committee and Business Risks Committee*)

Madam Zhan Lili (*Member of the Audit Committee, Remuneration Committee, Nomination Committee and Business Risks Committee*)

Mr. Zhang Kun (*Chairman of the Remuneration Committee, member of Audit Committee, Nomination Committee and Business Risks Committee*)

The biographical information of the directors are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 14 to 18 of the annual report for the Reporting Period.

The relationships between the directors are disclosed in the respective director’s biography under the section headed “Biographical Details of Directors and Senior Management” on pages 14 to 18.

### *Independent Non-executive Directors*

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive directors are independent.

## CORPORATE GOVERNANCE REPORT

### *Appointment and Re-election of Directors*

All directors of the Company are appointed for a specific term of 1 year.

Under the articles of association of the Company, at each annual general meeting, one-third of the directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every director shall be subject to retirement by rotation at least once every three years. The Company's articles of association also provides that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment. The retiring directors shall be eligible for re-election.

### *Responsibilities of the Directors*

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All directors, including non-executive directors and 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.

The independent non-executive directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The directors shall disclose to the Company details of other offices held by them.

## CORPORATE GOVERNANCE REPORT

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management. In addition, any director may make request for independent professional advice to assist the relevant director to discharge his/her duties.

The Company has arranged appropriate insurance coverage on directors' and officers' liabilities in respect of any legal actions taken against directors arising out of corporate activities.

Every newly appointed director of the Company will receive a briefing by a qualified professional on the general and specific duties of a director under legal and regulatory requirements. Mr. Cheung Pak To obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 19 June 2025. Mr. Cheung Pak To has confirmed that he understood his obligations as a director of the Company.

During the Reporting Period, a summary of training received by directors according to the records provided by the directors is as follows:

<b>Directors</b>	<b>Training on Corporate Governance, Regulatory Development and Other Relevant Topics</b>
<i>Executive Director</i>	
Mr. Zhang Min	✓
<i>Independent Non-executive Directors</i>	
Mr. Chan Chun Keung	✓
Mr. Cheung Pak To (Appointed on 30 June 2025)	✓
Mr. John Paul Ribeiro (Resigned on 17 March 2025)	✓
Mr. Lee Ka Wai	✓
Madam Zhan Lili	✓
Mr. Zhang Kun	✓

### Board Committees

The Board has established four committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee, and Business Risks Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees and posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

## CORPORATE GOVERNANCE REPORT

### *Audit Committee*

The Audit Committee currently comprises of Mr. Lee Ka Wai as the Chairman and Mr. Chan Chun Keung, Mr. Cheung Pak To, Madam Zhan Lili and Mr. Zhang Kun as members, all of which are independent non-executive Directors.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee held three meetings to discuss the interim results for the six months ended 30 June 2025, the final results for the year ended 31 December 2024 and significant issues on the financial reporting.

The Audit Committee also met with the external auditors.

### *Remuneration Committee*

The Remuneration Committee currently comprises of Mr. Zhang Kun as the Chairman, and Mr. Chan Chun Keung, Mr. Lee Ka Wai and Madam Zhan Lili as members. The Chairman and other members of the Remuneration Committee are all independent non-executive Directors.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual directors and senior management, the remuneration policy and structure for all directors and senior management; assessing performance of executive directors; approving the terms of executive directors' service contracts, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee held two meetings to review the remuneration package of executive director and senior management for the year ended 31 December 2025 and approve the remuneration package of the new independent non-executive director. No material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Financial Year.

The remuneration of the senior management by band for the Reporting Period is set out below:

<b>Remuneration band</b>	<b>Number of individuals</b>
Nil to HK\$1,000,000	3
HK\$1,000,001 to HK\$1,500,000	2

## CORPORATE GOVERNANCE REPORT

### *Nomination Committee*

The Nomination Committee currently comprises of Mr. Lee Ka Wai as the Chairman and Mr. Chan Chun Keung, Madam Zhan Lili and Mr. Zhang Kun as members. The Chairman and other members of the Nomination Committee are all independent non-executive Directors.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of independent non-executive directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee held one meeting to, among other things, recommend to the Board on the appointment of the new director.

The Nomination Committee is chaired by the chairman of the Board and comprises a majority of independent non-executive directors.

### *Business Risks Committee*

The Business Risks Committee currently comprises of Mr. Zhang Min, an executive Director and the Chairman of the Board, as the Chairman and Mr. Lee Ka Wai, Mr. Chan Chun Keung, Mr. Cheung Pak To, Madam Zhan Lili and Mr. Zhang Kun, all of which are independent non-executive Directors, as members.

The primary responsibility of the Business Risks Committee is to approve any loan, investment or guarantee transaction exceeding the sum of RMB30,000,000, other than notifiable transactions and connected transactions as defined by the Listing Rules which are approved by the Board. The Business Risks Committee reviews judgements of the loan approval committee and determines whether the proposed investment project is in the interests of the Company and shareholders of the Company as a whole. The Business Risks Committee was formed on 22 November 2022.

## CORPORATE GOVERNANCE REPORT

### *Board Diversity Policy*

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. 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.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board has adopted measurable objectives to implement the Board Diversity Policy as follows:

- There is at least one female member in the Board;
- At least one independent non-executive Director in the Board shall reside in Hong Kong;
- At least one financial expert in the Board shall have the professional qualifications and experience in finance and audit recognised by the regulatory authorities;
- The number of non-executive Directors (including independent non-executive Directors) in the Board shall account for more than half of the Board members, and the number of independent non-executive Directors shall account for one-third of the Board members;
- The age composition of Directors is reasonable. Among the existing six Directors, two are at the age of 31-50, two are at the age of 51-70 and two are over 70 years of age.

The Board will review such objectives from time to time to ensure their appropriateness.

During the Reporting Period, the Board composition has met all of the above measurable objectives. As such, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any further measurable objectives.

The Nomination Committee has reviewed the implementation and effectiveness of the Board Diversity Policy on an annual basis and considered the policy to be effective for the year ended 31 December 2025.

## CORPORATE GOVERNANCE REPORT

### *Director Nomination Policy*

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. The Nomination Committee reviews the resumes and qualifications of candidates for new Directors and makes recommendations to the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

# CORPORATE GOVERNANCE REPORT

## Mechanism to Ensure Independent Views from Directors

To ensure independent views and input from any Director, the following mechanism is established by the Board:

### 1. *Independence Assessment*

Each of the independent non-executive Directors shall provide a written annual confirmation of independence to the Company on their compliance with the independence requirements as set out under Rule 3.13 of the Listing Rules. The Nomination Committee shall assess the independence of independent non-executive Directors upon appointment and annually to ensure they can continually exercise independent judgement.

### 2. *Composition of Board*

Currently, 16.67% of the Board members is executive Director while 83.33% of the Board members are independent non-executive Directors, which exceeds the requirement of the Listing Rules that at least one-third of the Board are independent non-executive Directors.

### 3. *Board Proceedings and Decision Making*

At least 14 days' formal notice of regular Board and Board Committee Meetings will be given to all Directors, and all Directors are invited to include any matters for discussion in the agenda. By at least three business days in advance of every regular Board and Board Committee Meeting, Directors are provided with the meeting agenda and the relevant board papers containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings.

All Directors are required to declare their direct/indirect interests, if any, in any business proposals to be considered at the meetings and, where appropriate, they are required to abstain from voting on any Board resolution concerned.

Independent non-executive Directors should attend all regular meetings of the Board and Board Committees on which they serve. They should also attend general meetings of the Company to acquire understanding of the views of the shareholders.

### 4. *Remuneration of Independent non-executive Directors*

Independent non-executive Directors receive fixed fee(s) for their role as members of the Board and Board Committees and no equity-based or incentive based compensation program is granted to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

## CORPORATE GOVERNANCE REPORT

### 5. *Access to Professional Advice and Up-to-date Information*

The Company Secretary provided induction pack and orientation program for all new recruits to the Board. Such program would familiarise the newly appointed Director with the nature of the business, the corporation's strategy, the internal control and corporate governance practices and policies, and directors' duties and responsibilities. Subsequent information packages are regularly provided to the Directors to keep them abreast of their responsibilities and infuse them with new knowledge relevant to the Group's current business and operating environment.

To facilitate proper discharge of Directors' duties and responsibilities, all Directors (including independent non-executive Directors) are entitled to seek advice from the Company Secretary as well as from independent professional advisers at the expense of the Company.

### 6. *Independent Views and Inputs Treasured and Valued*

During the Board and Board Committee meetings, the independent non-executive Directors are encouraged to express freely their independent views and inputs in an open and candid manner. The Chairman also encourages questions and challenges from Directors, in particular independent non-executive Directors and their comments and concerns are closely followed up by the management.

In addition to Board meetings, the Chairman schedules a meeting annually with independent non-executive Directors without the presence of other Directors to discuss the affairs of the Group.

The Company Secretary is required to prepare minutes that record not only the decision reached but any concerns raised or dissenting views expressed by Directors. Draft versions of the minutes are circulated to all Directors for their comment and confirmation before it is finalised for records. Minutes of all Board and Board Committee Meetings are available for Directors' inspection.

The implementation and effectiveness of the above mechanisms have been reviewed by the Board on an annual basis and the Board believe these measures would allow Directors to contribute effectively and independent views and input are available to the Boards and Board Committees.

# CORPORATE GOVERNANCE REPORT

## *Corporate Governance Functions*

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

## *Board Meetings and Directors' Attendance Records*

The Board held eight regular board meetings during the Reporting Period for transacting company's business and the matters related to the Incidents.

The Company Secretary assists the Chairman in preparing the agenda for meetings, and ensures that all applicable rules and regulations are complied with. Minutes of meetings are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any director. Every director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary.

## Attendance Records of Directors

The attendance record of each director at the Board and sub-committee meetings of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/Number of Meetings				Business
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Risks Committee
Zhang Min	4/5	-	-	1/1	2/4
Chan Chun Keung	4/5	3/3	1/2	1/1	3/4
Cheung Pak To (Appointed on 30 June 2025)	1/1	1/1	-	-	1/1
John Paul Ribeiro (Resigned on 17 March 2025)	1/1	-	-	-	-
Lee Ka Wai	4/5	3/3	1/2	1/1	4/4
Zhan Lili	5/5	2/3	2/2	1/1	3/4
Zhang Kun	-	-	-	-	-

All directors, except the independent non-executive director, Mr. Zhang Kun who was unable to attend due to his other work commitment, attended the annual general meeting and the extraordinary general meeting both held on 3 June 2025 by electronic means.

## CORPORATE GOVERNANCE REPORT

### Risk Management and Internal Controls

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are 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 misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions.

Procedures have been set up for safeguarding assets against unauthorised use or disposition, controlling over capital expenditure, maintaining proper accounting records, risk management control and ensuring the reliability of financial information used for business and publication. Qualified management of the Group maintains and monitors the risk management and internal control systems on an ongoing basis. A bottom-up approach was employed for identification, assessment and mitigation of risk at all business unit levels and across all functional areas.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The key elements of the risk management and internal control systems of the Company include the establishment of a register to keep track of and document identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

An ongoing risk assessment approach is adopted by the Company for identifying and assessing the key inherent risks that affect the achievement of its objectives. The judgement of the risk is mainly determined in accordance with the likelihood of occurrence and consequence of occurrence of the risk.

## CORPORATE GOVERNANCE REPORT

The management, in coordination with division/department heads, assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management progress, and reports to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, on an annual basis and for the Reporting Period, it considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has developed its disclosure procedures which provide a general guide to the Company's directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

The Board and the management of the Company takes all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited. In the event that there is evidence of any material violation of the procedure, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding the likelihood of its recurrence.

## CORPORATE GOVERNANCE REPORT

### Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Company Code") on terms no less exacting than 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 has been made of all the directors and the directors have confirmed that they have complied with the Company Code throughout the Reporting Period.

The Company has also established written guidelines (the "Employees Written Guidelines") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company for the Reporting Period.

No non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the Reporting Period.

### Directors' Responsibility in Respect of the Financial Statements

The directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 96 to 101.

# CORPORATE GOVERNANCE REPORT

## Auditors' Remuneration

During the Reporting Period, the remuneration paid to the auditors of the Group, is set out below:

<b>Service Category</b>	<b>Fees Paid/ Payable</b>
Audit Services	HK\$2,300,000
Non-Audit Services ( <i>Note</i> )	HK\$465,000
	HK\$2,765,000

*Note:* The non-audit services mainly included advisory and interim review services.

## Cultures and Values

A healthy corporate culture has been developed by the Board to ensure that the Company's vision, values and strategy are aligned to it.

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the Group's employee consolidated handbook (including therein the Group's code of conduct, the anti-corruption policy and the whistleblowing policy of the Group etc.). Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

The Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

## Anti-corruption, Laws and Regulations

The Group's code of conduct and anti-corruption policy were introduced in September 2022. The policy covers activities such as bribery, anti-corruption, offer and acceptance of advantages, conflict of interest, entertainment and gratuities, the Group's expectations and requirements of business ethics, as well as investigation and reporting mechanism of suspected corruption practices. Any convicted cases will be reported to the Whistleblowing Screening Committee, or to the board and/or chairman directly, depending on the target of the whistleblowing.

## Gender Diversity

As of the date of this annual report, the Board currently comprises six Directors, consisting of one female Director and five male Directors. Gender diversity at workforce levels is disclosed in the Management Discussion and Analysis section in this annual report. The Company will adhere to the principle of gender diversity at the board level and all employee levels and will appropriately consider increasing the proportion of female members in future elections, hirings and promotions.

## CORPORATE GOVERNANCE REPORT

### Whistleblowing Policy and System

The Group's whistleblowing policy was adopted in September 2021. Any convicted cases will be adopted to the Whistleblowing Screening Committee, or to the board and/or chairman directly, depending on the target of the whistleblowing.

### Shareholders' Rights

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

#### *Convening a General Meeting*

General meetings may be convened by the Board on requisition of shareholder(s) of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings or by such shareholder(s) who made the requisition (as the case may be) pursuant to Sections 566 and 568 respectively of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance").

Shareholders should follow the requirements and procedures as set out in the Companies Ordinance and where applicable, the Company's articles of association, for convening a general meeting.

#### *Putting Forward Proposals at General Meetings*

Pursuant to Section 615 of the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all shareholders; or at least 50 shareholders (as the case may be) who have a right to vote at the relevant annual general meeting, may request to circulate a resolution to be moved at an annual general meeting.

Shareholders should follow the requirements and procedures as set out in the Companies Ordinance and where applicable, the Company's articles of association, for circulating a resolution for annual general meeting.

#### *Putting Forward Enquiries to the Board*

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

### Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Suite 5606, 56/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong  
(For the attention of the Company Secretary)  
Fax: (852) 2598 8305  
Email: 0605IR@cfsh.com.hk

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

# CORPORATE GOVERNANCE REPORT

## Communication with Shareholders and Investors Relations

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has adopted a Shareholders' Communication Policy to ensure Shareholders and investment community have simultaneous access to the information relating to the Company's financial performance, strategic goods and plans, material development of its business corporate exercises and governance issues. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, the chairman of the Board and the chairmen of the Audit Committee, Remuneration Committee, Nomination Committee and Business Risks Committee, or where any Committee chairman is not available, members of the relevant Committee, are available to meet shareholders and answer their enquiries. During the Reporting Period, the Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy through discussions amongst Board members during board meetings. The Company has reviewed communication activities and engagement with Shareholders conducted in 2025 and was satisfied with the implementation and effectiveness of the Shareholders' Communication Policy which allowed Shareholders to engage actively with the Company.

## Constitutional documents

The new amendments to the Companies Ordinance which allow Hong Kong incorporated listed companies to hold repurchased shares in treasury and resell its treasury shares have come into effect on 17 April 2025. As such, the Board proposed to adopt a new set of the articles of association of the Company (the "New Articles of Association") for the purpose of (i) aligning with the recently amended Companies Ordinance in relation to the implementation of the treasury share regime for Hong Kong incorporated listed companies and the promotion of paperless corporate communications; (ii) aligning with the Listing Rules amendments in relation to the further expansion of the paperless listing regime; and (iii) incorporating other housekeeping amendments in the existing articles of association.

The adoption of the New Articles of Association was approved by the shareholders of the Company on the annual general meeting of the Company on 3 June 2025. A consolidated version of the New Articles of Association is available on the websites of the Company and the Stock Exchange.

## Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

On behalf of the Board

**Zhang Min**

*Executive Director and Chief Executive Officer*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Introduction

The Group is one of the leading integrated financial services providers in Mainland China and Hong Kong which mainly engages in the provision of one-stop financing services to small and medium-sized enterprises (“SMEs”), micro-enterprises, and individuals.

The Group has been established to provide customised financial solutions to SMEs in Hong Kong and Mainland China for over ten years. As a responsible corporation, the Group understands that it plays a part in promoting sustainability in the financial services industry and has therefore incorporated sustainability elements into its business operations. Looking forward, the Group aims to build stronger relationships with its stakeholders to strengthen its sustainability strategy.

This Environmental, Social and Governance Report (the “ESG Report”) summarises the environmental, social, and governance (“ESG”) initiatives, plans, and performance of the Group and demonstrates its commitment to sustainable development for the year ended 31 December 2025 (“2025” or “Reporting Period”). Relevant comparisons would be made between the data from the Reporting Period and the year ended 31 December 2024 (“2024”).

The Group believes sustainability is the key to continued success and has integrated this concept into its business strategy. The Group constantly monitors the risks related to ESG and actively explores potential opportunities within the Group. To strike a balance among business needs, social demands, and environmental impacts, the Group is committed to continuously monitoring the risks and opportunities that exist in its daily operations and embracing a transparent corporate culture to ensure the sustainability initiatives are well implemented within the Group and communicated to its stakeholders.

### *The ESG Governance Structure*

The Group views ESG commitments as part of its responsibilities and is committed to incorporating ESG considerations into its decision-making process. To achieve this goal, the Group has developed a framework to ensure ESG governance is aligned with its strategic growth while advocating for the integration of ESG issues into its business operations. The Group manages its ESG issues, including climate-related risks and opportunities by employing a top-down management approach, with the Board of Directors (the “Board”) and the ESG taskforce (the “Taskforce”) taking the lead.

The members of the Board possess the appropriate skills, experiences, knowledge, and perspectives necessary to oversee the Group’s ESG and climate-related matter. The Board holds at least one meeting each year to discuss and formulate the overall ESG approach, oversee and assess potential ESG impacts and risks, review the setting of and the Group’s performance against ESG-related targets, evaluate the materiality of ESG issues, ensure the effectiveness of the Group’s risk management and internal control systems, and approve disclosures in ESG reports.

The Taskforce, comprising employees from relevant departments, is set up to systematically manage the Group’s ESG and climate-related issues. The Taskforce is responsible for collecting relevant ESG data, monitoring the Group’s ESG performance, prioritising material ESG issues, as well as reviewing ESG and climate-related policies, risks, and management approaches. The Taskforce reports to the Board at least once a year for the evaluation and subsequent implementation or revision of the Group’s ESG strategies and internal control mechanisms.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Reporting Scope

The management of the Group identifies the reporting scope based on the materiality principle after the considerations of the core business and main revenue source using operational control approach. Hence, the ESG Report includes the Group's business activities in the offices in Beijing, Chengdu, Shenzhen, and Hong Kong. Data related to the ESG key performance indicators ("KPIs") was gathered from subsidiaries that are under the Group's direct operational control.

## Reporting Framework

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") as set out in Appendix C2 of the Listing Rules.

Information relating to the Group's corporate governance practices will be stated under the Corporate Governance Report set out on pages 29 to 46 of this annual report.

The Group attaches great importance to the reporting principles of materiality, quantitative, balance, and consistency as illustrated in the ESG Reporting Code. During the preparation for the ESG Report, the Group has applied these reporting principles as follows:

**Materiality:** A materiality assessment was conducted to identify material ESG issues in 2025. The assessment result was reviewed and confirmed by the Board and the Taskforce, which are then used as the focus of the Group. Please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment" for further details.

**Quantitative:** The standards and methodologies used in the calculation of relevant data in the ESG Report and the applicable assumptions were disclosed. The KPIs were supplemented by explanatory notes to establish benchmarks where feasible.

**Balance:** Information published in the ESG Report is compiled based on existing data, policies, practices, and official documents or reports, with the aim of providing an unbiased overview of the Group's performances and areas of improvement.

**Consistency:** The statistical methodologies applied to the ESG Report were substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies. If there are any changes that may affect meaningful comparison with previous reports, the Group will add comments to the corresponding content of the ESG Report.

The Group has established internal controls and adopted a formal review process to ensure that all information presented in the ESG Report is as accurate and reliable as possible. The ESG Report has been reviewed and approved by the Board and the Taskforce.

## Reporting Period

The ESG Report describes the ESG initiatives, plans, and performance taken by the Group from 1 January 2025 to 31 December 2025.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Chairman's Statement

Dear Stakeholders,

On behalf of the Board of the Group, I am pleased to present the ESG Report of China Financial Services Holdings Limited for 2025, which provides an annual update on the ESG performance of the Group.

Recognising sustainability is a vital aspect of the long-term success of a business, the Group has incorporated sustainable development into its strategy and built an effective governance structure, comprising the Board and the Taskforce, to monitor and review the ESG and climate-related issues of the Group. In order to formulate comprehensive policies and ensure effective execution, the Group has formulated the risk management and internal control frameworks, which provide a structured approach for the Board. More information about the Group's governance structure is stated in the section headed "The ESG Governance Structure".

Striving to meet the expectations of stakeholders, the Group continuously communicates with them to understand their concerns. In order to identify and assess the material concerns of the stakeholders, the Group has conducted a materiality assessment to gather the opinions of stakeholder groups. The assessment helped us determine ESG issues that have material impacts on the Group's sustainable growth, thereby we could incorporate them in the development of ESG strategies and targets.

To fulfil the Group's ESG commitment and allow the Group's stakeholders to better understand the Group's progress in improving ESG performance, the Group also sets various ESG-related targets on relevant KPIs. In response to national decarbonisation goals, the Group has put forward four environmental targets in the areas of energy, water, waste, and greenhouse gas ("GHG") to drive improvement. The environmental targets were approved by the Board and the progress is reviewed and monitored by the Taskforce annually. In specific, the Taskforce utilises available ESG data to compare the performance between different years, report to the Board periodically, and formulate corresponding ESG policies.

In closing, I would like to express my gratitude to my fellow directors, the management team, employees, and stakeholders for their contributions and support to the Group's sustainable development.

**Zhang Min**

*Executive Director & Chief Executive Officer*

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Stakeholder Engagement

Stakeholder participation is an essential part of formulating the Group's business strategy and approach to sustainability. Therefore, the Group adopts an open and ready attitude when communicating with its key stakeholders, such as governments and regulatory authorities, shareholders and investors, employees, customers, suppliers, banks, the media, and the public. Through a wide range of communication channels and engagement methods, the Group seeks to further understand the relative interests and priorities of each stakeholder category while taking appropriate and necessary actions to align with their expectations and needs. A list of communication channels that the Group uses to engage with its stakeholders is shown below:

Stakeholders	Communication Channels	Expectations
Governments and regulatory authorities	<ul style="list-style-type: none"> <li>• Regular reports and announcements</li> <li>• Written or electronic correspondences</li> <li>• Supervision on local laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with local laws and regulations</li> <li>• Stability in business operations</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• General meetings and shareholder meetings</li> <li>• Annual and interim reports</li> <li>• Regular reports and announcements</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable profitability</li> <li>• Shareholder return</li> <li>• Corporate governance</li> <li>• Compliance with local laws and regulations</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Training, seminars, and briefings</li> <li>• Performance reviews</li> <li>• Intranet</li> <li>• Regular meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration, compensation, and benefits</li> <li>• Fair and competitive employment</li> <li>• Safe working environment</li> <li>• Development and training opportunities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Customer service hotlines and emails</li> <li>• Face-to-face meetings</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• High-quality products and services</li> <li>• Rapid responses and customer satisfaction</li> <li>• Protection of customers' interests and privacy</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders	Communication Channels	Expectations
Suppliers	<ul style="list-style-type: none"> <li>• Supplier satisfaction assessments</li> <li>• Face-to-face meetings</li> <li>• On-site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• Win-win cooperation</li> <li>• Stable business relationship</li> </ul>
Banks	<ul style="list-style-type: none"> <li>• Post-loan tracking</li> <li>• On-site visits</li> <li>• Work conferences</li> </ul>	<ul style="list-style-type: none"> <li>• On-time loan repayment</li> <li>• Honest and credible operations</li> <li>• Close monitoring of operating conditions</li> </ul>
The media and the public	<ul style="list-style-type: none"> <li>• ESG reports</li> <li>• Company website</li> <li>• Regular reports and announcements</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency of financial and ESG-related disclosures</li> <li>• Compliance with local laws and regulations</li> <li>• Community services</li> <li>• Environmental protection</li> </ul>

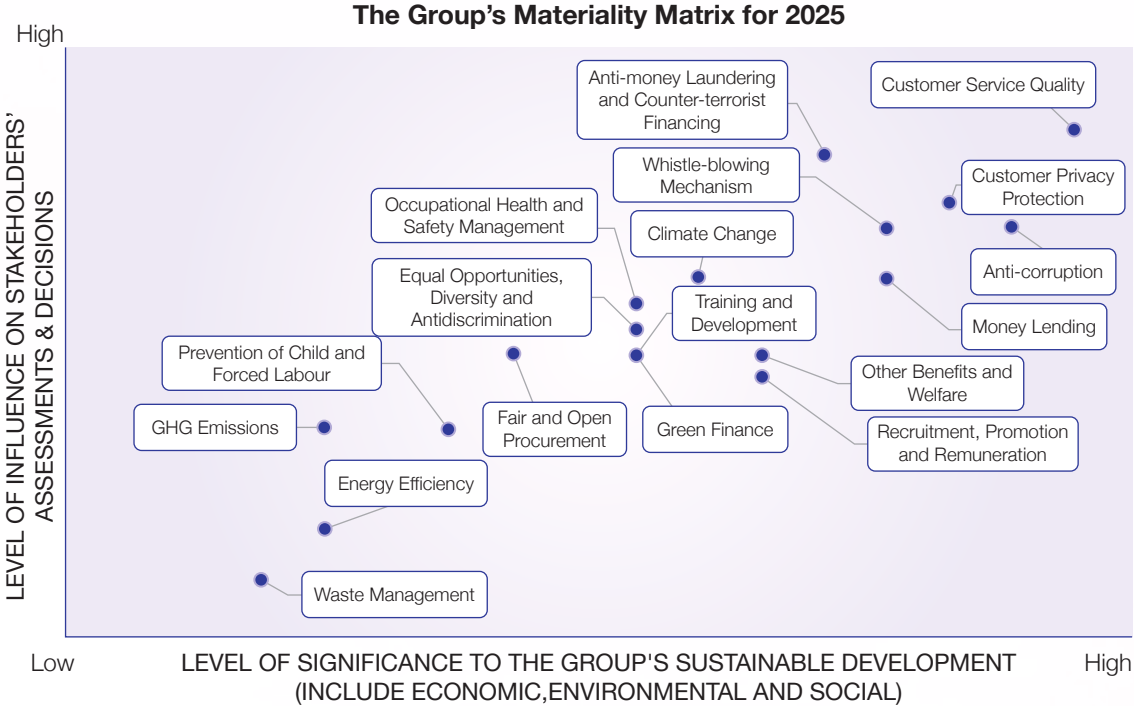
The Group firmly believes that the contributions and opinions of its stakeholders will be beneficial for identifying material ESG issues while addressing potentially overlooked ESG issues.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Materiality Assessment

Materiality assessment is the process of identifying, refining, and assessing ESG issues that could affect the Group’s business and its stakeholders. The results of materiality assessment are used to formulate strategies, set targets, and determine the focus of the Group. In addition, materiality assessment enables the Group to analyse business risks and opportunities, supporting the sustainable development of its businesses.

With the assistance of the Group’s management and the Taskforce, the Group identified a list of material ESG issues based on its business, the ESG Reporting Code, and industry peer analysis. To effectively prioritise material ESG issues, the Group conducted a materiality assessment survey during the Reporting Period. Employees of different business units were invited to evaluate the significance of the identified ESG issues to the stakeholders and the Group’s sustainable development. After analysing the results of the survey, the Group compiled the following materiality matrix to illustrate material ESG issues:



The results of the materiality assessment were reviewed and validated by the Taskforce, which are then approved by the Board.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Contact Us

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice with respect to the ESG Report or the Group's performance in sustainable development by writing to Suite 5606, 56/F, Central Plaza, No. 18 Harbour Road, Wan Chai, Hong Kong.

## 1. Environmental

### A1. Emissions

The Group is principally engaged in the provision of integrated short-term financing services, comprising short-term financing and consultancy services. As a result, the Group has a limited impact on the environment given its office-based business nature. Nevertheless, it recognises that environmental protection must be done collectively since every small contribution is of great importance. The Group has established relevant policies to enhance employees' awareness and improve its environmental performance. Besides, the Group is committed to maintaining or improving its existing policies to mitigate potential direct and indirect negative environmental impacts arising from its business operations.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group, including but not limited to the Waste Disposal Ordinance of Hong Kong, the Environmental Protection Law of the People's Republic of China, the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and the Prevention and Control of Atmospheric Pollution of the People's Republic of China.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Air Emissions*

Due to the Group’s business nature, the Group does not engage in any industrial production or possess any manufacturing facilities. Therefore, the Group’s air emissions are mainly generated from the petrol consumption of company vehicles. Guidelines on the efficient use of fuel are described in the section headed “GHG Emissions” under this aspect. Also, to minimise the air emission generated from the Group’s business operations, the Group has set a target to replace all company vehicles with electric vehicles within the next five years, using 2025 as the baseline year.

Summary of the Group’s air emission performance:

<b>Types of exhaust gas</b>	<b>Unit</b>	<b>2025</b>	2024
Nitrogen oxides (“NO <sub>x</sub> ”)	kg	<b>5.74</b>	7.02
Sulphur oxides (“SO <sub>x</sub> ”)	kg	<b>0.15</b>	0.20
Particulate matter (“PM”)	kg	<b>0.42</b>	0.52

## *Discharges into Water and Land*

Due to the Group’s business nature, discharges into land were insignificant. Similarly, there was no significant and unreasonable amount of sewage water discharged; used water is discharged through the municipal sewage network to the regional water treatment plant.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Waste Management*

#### *Hazardous Waste Handling*

Due to the Group's business nature, only a small amount of hazardous waste was generated by the Group during the Reporting Period. Nevertheless, in order to minimise its environmental impacts, the Group has arranged qualified third parties to properly collect and dispose of hazardous waste. Meanwhile, the Group has implemented recycling incentives for office waste such as ink cartridges and electronic equipment and has enhanced its data collection mechanism in accordance with the National Catalogue of Hazardous Wastes published by the Ministry of Ecology and Environment of the People's Republic of China. In 2025, the Group used piece as the unit of recording. In the future, the Group is dedicated to measuring the exact weight of hazardous waste disposal by enhancing its data collection approach.

Summary of the Group's hazardous waste disposal performance:

<b>Types of hazardous waste</b>	<b>Unit</b>	<b>2025</b>	2024
Ink cartridges	Piece	<b>35.00</b>	46.00
LED lamps	Piece	<b>22.00</b>	27.00
Cleaning chemicals	Piece	–	8.00
Dry battery	Piece	<b>170.00</b>	–
<b>Total hazardous waste</b>	<b>Piece</b>	<b>227.00</b>	81.00
<b>Hazardous waste intensity<sup>1</sup></b>	<b>Piece/employee</b>	<b>1.94</b>	0.69

<sup>1</sup> As at 31 December 2025, the Group had 117 (as at 31 December 2024: 118) employees. The data is also used for calculating other intensity data.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Non-hazardous Waste Handling*

The majority of non-hazardous waste generated by the Group was office paper. Hence, it is assumed that the amount of paper consumption represents the amount of non-hazardous waste production. During the Reporting Period, the Group has recycled over 240 1.5-litre water bottles and 0.06 tonnes of paper as a support the sustainable behavioural changes. To minimise the environmental impacts of non-hazardous waste generated from the Group's business operations, the Group has set a target in the year ended 31 December 2021 ("2021") to reduce the paper waste intensity (tonnes/employee) by 2026, using 2021 as the baseline year. To achieve the target, the Group has encouraged sustainable behavioural changes among its employees.

Green measures include, but are not limited to, the following:

- Recycle single-sided office paper;
- Adopt double-sided printing or photocopying;
- Encourage digitalisation to promote a paperless working environment;
- Print electronic correspondences only when necessary; and
- Recycle obsolete office and electronic equipment.

During the Reporting Period, the Group's paper waste intensity (tonnes/employee) decreased from approximately 0.02 in 2024 to approximately 0.01 in 2025. The decrease in paper waste intensity was attributed to effective measure in reducing paper consumption. The Group's paper waste intensity in 2021 was approximately 0.11 tonnes/employee, hence it is currently on track to achieve its aforementioned target. In the future, the Group will continue to raise employees' awareness of waste reduction, so as to realise its target and enhance its environmental performance.

Summary of the Group's non-hazardous waste disposal performance:

<b>Types of non-hazardous waste</b>	<b>Unit</b>	<b>2025</b>	2024
Office paper	tonnes	<b>1.43</b>	1.80
<b>Total non-hazardous waste</b>	<b>tonnes</b>	<b>1.43</b>	1.80
<b>Non-hazardous waste intensity</b>	<b>tonnes/employee</b>	<b>0.01</b>	0.02

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### A2. *Use of Resources*

The Group is committed to promoting resource efficiency and closely monitoring the potential environmental impacts of its business operations. To this end, the Group has formulated relevant policies to guide its sustainable operation practices. Through tracking ESG-related KPIs and implementing the Group's internal monitoring programme on the procurement and use of resources, the Group has identified that its major resources consumed were petrol, electricity, water, and paper. The Group believes the existing policies and procedures are effective in governing the usage of these resources and strives to further reduce its overall resource consumption.

#### *Energy Efficiency*

The Group believes that all branches, including its subsidiaries and their departments, should work together to reduce the Group's environmental impacts. Therefore, a detailed internal policy was set out to require all subsidiaries of the Group to comply with the Group's energy-saving policy. To minimise the environmental impacts of energy consumption from the Group's business operations, the Group has set a target in 2021 to reduce the total energy consumption intensity (MWh/employee) by 2026, using 2021 as the baseline year. To achieve the target, the Group has formulated and implemented the following energy-saving measures:

- Pre-set the office's air-conditioning temperature;
- Adopt lighting control systems that operate based on actual demand;
- Switch off unnecessary lighting and idle electrical appliances;
- Promote the use of teleconferences or video conferences;
- Purchase energy-efficient replacements for obsolete equipment;
- Set all computer screens and printers to standby mode after a certain period;
- Post eye-catching stickers on energy efficiency as a reminder to employees;
- Reduce the frequency of unnecessary business air travel; and
- Encourage employees to utilise public transportation where possible.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's energy consumption intensity (MWh/employee) decreased from approximately 2.04 in 2024 to approximately 1.91 in 2025. The Group's energy consumption intensity in 2021 was approximately 13.70 MWh/employee, hence it is currently on track to achieving its target. The Group will continue to adopt measures that minimise the amount of energy consumption in the future.

Summary of the Group's energy consumption performance:

Types of energy	Unit	2025	2024
Direct energy consumption <sup>1</sup>			
• Petrol	MWh	<b>101.13</b>	129.68
Indirect energy consumption			
• Electricity	MWh	<b>122.43</b>	111.59
<b>Total energy consumption</b>	<b>MWh</b>	<b>223.56</b>	241.27
<b>Energy consumption intensity</b>	<b>MWh/employee</b>	<b>1.91</b>	2.04

Note(s):

1. The unit conversion method of energy consumption data is formulated based on the Energy Statistic Manual issued by the International Energy Agency.

### *Water Consumption*

Due to the Group's business nature, the water usage is limited to water consumed by employees at the offices. Despite the fact that the water usage was negligible, the Group highlights the importance of water conservation to its employees. To minimise the environmental impacts of water consumption from the Group's business operations, the Group has set a target in 2022 to reduce water consumption intensity (m<sup>3</sup>/employee) gradually by 2026, using 2022 as the baseline year. To achieve the target, the Group has formulated and implemented the following water conservation measures:

- Post banners around the office with educational messages to raise awareness of water conservation;
- Regularly inspect water taps to prevent leakage;
- Install dual-flush water cisterns in toilets; and
- Install aerators in washroom faucets.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group did not encounter any issues in sourcing water that was fit for purpose and did not note any abnormal water usage in 2025.

The water consumption intensity (m<sup>3</sup>/employee) decreased from approximately 0.71<sup>1</sup> in 2024 to approximately 0.70 in 2025. The Group's water consumption intensity in 2022 was approximately 1.91 m<sup>3</sup>/employee. Hence, the Group is therefore currently on track to achieve its aforementioned target and will continue its efforts in water conservation.

Summary of the Group's water consumption performance:

<b>Indicator</b>	<b>Unit</b>	<b>2025</b>	2024 <sup>1</sup>
<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>82.00</b>	84.00
<b>Water consumption intensity</b>	<b>m<sup>3</sup>/employee</b>	<b>0.70</b>	0.71

Note(s):

1. Starting in 2024, the water bills of the Beijing office were combined with other fees. Hence, it was not feasible to obtain water consumption data from the Beijing office.

### *Use of Packaging Material*

Due to the Group's business nature, the use of packaging material is not considered a material ESG issue for the Group.

### *A3. The Environment and Natural Resources*

Although the Group's operations do not have a significant impact on the environment or natural activities, as part of its ongoing commitment to good corporate social responsibility, the Group actively reduces the negative environmental impacts of its daily business operations while providing a more pleasant working environment for its employees.

### *Indoor Air Quality*

Indoor air quality in the offices is regularly measured and monitored. During the Reporting Period, the indoor air quality of the Group's offices was satisfactory. Air-purifying equipment is used in offices and the air conditioning system is cleaned periodically to improve indoor air quality by filtering pollutants, contaminants, and dust particles.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Green Finance*

As financial investors become more aware of sustainability elements and responsible investment is gaining momentum, the Group is in the process of establishing a sustainable development framework to align with the expectations of investors. The Group sees opportunities in the fast-growing green finance sector following the adoption of the “One Belt, One Road” national development strategy. To this end, the Group has established the “Guidelines for Establishing a Green Finance System” to promote green finance. The Group provides bespoke financing options for green finance-related enterprises through its internal risk management system.

The Group has also encouraged its employees to use sustainable development performance as an investment criterion and provided the following advice:

- No investments in enterprises with serious environmental pollution and impacts;
- No investments in enterprises with outdated technology; and
- No investments in enterprises with safety hazards.

The Group believes that enterprises that place great emphasis on sustainable development encounter lower operational risks, which in turn lower the risks of the Group’s investment portfolio and generate more stable returns for the Group.

## *D. Climate-related Disclosures*

### *Governance*

The Group recognised the importance of the climate-related risks and opportunities. Therefore, the issues of climate-related risks and opportunities (including the trade-offs associated with such risks and opportunities) are embedded into the existing ESG governance structure. The Taskforce manages the Group’s ESG issues with the climate-related risks and opportunities. Further information can be found in the section headed “The ESG Governance Structure”.

Specifically, the Board retains ultimate oversight of climate-related risks and opportunities as part of its broader ESG responsibilities. As stated, the Board possess the appropriate skills, experiences, knowledge and perspectives necessary to oversee the Group’s ESG matters, including climate-related risks and opportunities. Having regard to the evolving climate-related risks and opportunities, the Company will consider to invest in capacity building through trainings to ensure the skills and competencies of the Board are up to date to oversee the Group’s strategy in response to climate-related risks and opportunities. Also, the Board holds at least one meeting each year to review the climate-related issues identified by the Taskforce.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Taskforce delegated by the Board takes the lead to manage ESG and climate-related issues. The Taskforce is comprised of employees from relevant department, who are responsible for handling climate-related issues. The Taskforce serves as the Group's primary internal coordination mechanism and is responsible for planning, implementing and integrating climate-related considerations into the Group's strategies and operations, as well as monitoring the setting of and the performance against climate-related targets and related action plans. The Group is aware of the growing climate-related risks to our business such as business model, strategy, resource allocation and the carrying amounts of assets and liabilities. The risks and opportunities are identified through risk assessment such as materiality assessment. The identified risks and opportunities are applied with consistent management approach as other identified materials. To support oversight, relevant functions provide inputs to the Taskforce within their respective areas of responsibility. The Taskforce consolidates these inputs for internal reporting and reports material climate-related issues, developments and climate-related targets to the Board at least once a year. At this stage, no climate-related performance metrics are included in the remuneration policies.

### *Strategy*

The Group is committed to managing the potential climate-related risks that may impact its business activities. Hence, the Group incorporates ESG-related risks, such as climate risks, into its risk management system to identify and mitigate risks that may affect the Group. After identifying the risks and opportunities as suggested by the climate change-related information disclosure framework of the Task Force on Climate-related Financial Disclosures ("TCFD"), the Group has optimised its management measures and has established relevant policies that outline the Group's management on climate issues to minimise their impacts. To further strengthen its climate commitment, the Group will assess the feasibility of setting a long-term climate-related target or carbon neutralisation goal, along with a transition plan.

With reference to Hong Kong's Climate Action Plan and in alignment with the Group's internal strategic decision-making, the Group has defined short-term as within the next reporting period, medium-term as 2030 and long-term as 2050. The following climate risks and opportunities are identified:

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Physical Risks*

Changes in weather patterns and the increased severity of extreme weather events such as typhoons, storms, and heavy rainstorms may lead to disruptions to the Group's business operations, hinder its employees from work, decrease productivity, or expose the Group to risks associated with delayed performance, therefore adversely affecting the profitability. In the event of such an emergency incident, the Group will closely follow the latest weather news and advice released by the government. Moreover, the Group regularly reviews and updates policies in relation to crisis response and business continuity to ensure that in the event of an emergency incident, the relevant risks are minimised and core business functions can be performed as usual. It is anticipated that the change in weather pattern would affect the business with different time horizons as the frequency of climate events are increasing. These events might increase the expenses for disaster preparedness measures and thus raise the operational costs.

### *Transition Risks*

The Group anticipates that there will be more stringent climate laws and regulations to support the global vision of carbon neutrality. In the low-carbon economy, stakeholders will also expect companies to take more actions in response to climate change and increase transparency in information disclosure. If companies fail to respond appropriately to the aforementioned stakeholder appeal, their reputation will be negatively affected. Enhanced disclosure requirements may also increase the Group's operational costs, compliance responsibilities, and commitment, which may materially and adversely affect its business operations and financial performance. It is expected the risk would occur in mostly medium-term and long-term with the stringent laws and regulations are in force. In response to the potential policy and legal risks as well as the reputational risks, the Group regularly monitors existing and emerging trends, policies, and regulations relevant to the industry and is prepared to inform the top management where necessary to avoid cost increments, non-compliance fines, and/or bad reputation due to delayed responses.

### *Opportunities*

Under a favourable policy environment of carbon neutrality, companies may demonstrate great green financing demand. Therefore, green finance will become increasingly popular in the market, which occurs in different time horizons depending on policy development. The Group will align with these policies and provide more green finance solutions in the market. Further information can be found in the section headed "Green Finance" under aspect A3.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

It is believed that the business model and value chain do not face significant and concentrated climate-related risks and opportunities. However, the Group will closely monitor the climate-related risks and opportunities that might affect the operations and strive to grasp any related opportunities. Also, the Group is aware of the climate-related issues on the carrying amounts of assets and liabilities in the next reporting period that there is no significant adjustment to our core business model and strategy. The Group's established climate mitigation and adaptation measures continue to apply, consistent with those in 2024, with dedicated resources provided through operational budgets to handle climate-related risks and opportunities. The Group's capacity to adapt its strategy progressively is supported by the inherent operational and planning flexibility within its existing business model.

When there is available information, the Group will separately identify or quantify the anticipated financial effects of climate-related risks and opportunities, including the relevant amounts and related changes. During the period, there were no specific investment plans, disposal plans, or identified sources of funding related to climate-related risks and opportunities. The Group will continue to strengthen its data collection and analysis capabilities and will disclose the financial effects of climate-related risks and opportunities as they become measurable and reliable in future periods.

As the Group remains in the early stages of assessing its climate resilience, there remains considerable uncertainty as to the magnitude and timing of potential climate-related risks and opportunities. At the current stage, climate scenario analysis is not available. The Group will explore the use of climate-related scenario analysis that is commensurate with its circumstances, including scenarios aligned with the latest international climate agreements, in order to enhance its understanding and reporting of climate-related risks and opportunities through regular risk assessments in the future.

### *Risk Management*

The Group applies consistent process for identifying, assessing, prioritising and monitoring climate-related risks and opportunities. The Group integrates climate-related risks and opportunities into its holistic enterprise risk management framework, alongside with strategic, financial, compliance, and operational risks. This integration utilises the Group's core risk management processes to ensure effective identification, evaluation, management, and monitoring of risks.

The assessment process evaluates and prioritises risks by considering both their likelihood and potential impact. Likelihood is determined based on historical data and other information reasonably available during the Reporting Period. Impact is assessed against key factors, including financial loss, legal implications, corporate reputation, environmental safety, and business operations. The Group combines these likelihood and impact scores. Risks are classified into different levels. Higher risk events and associated mitigation measures will be reported to our management and the Board annually.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Metrics and Targets*

To minimise the environmental impacts of GHG emissions from the Group's business operations, the Group has set a target in the year ended 31 December 2022 ("2022") to reduce Scope 1 and Scope 2 GHG emission intensity (tCO<sub>2</sub>e/employee) gradually by the year ended 31 December 2026 ("2026"), using 2022 as the baseline year.

The target applies to the scope that aligns with the section headed "Reporting Scope". The target covers mainly carbon dioxide, methane and nitrous oxide in the GHG calculation. Meanwhile, the Group will strengthen the target by leveraging international agreement, validation by third party and deriving from sectoral decarbonisation approach. The target setting is mainly based on the previous emission data. No carbon credits have been purchased at this point to achieve the GHG emission targets.

To achieve the target, the Group has adopted the following measures:

## *Scope 1 – Direct GHG Emissions*

The Group has established clear guidelines to ensure the efficient use of fuel and reduce petrol consumption in its operations to reduce overall direct GHG emissions, as shown below:

- Plan routes ahead of time to optimise fuel consumption;
- Switch off the engine whenever the vehicle is idling; and
- Conduct regular vehicle maintenance to ensure optimal engine performance and enhance fuel efficiency.

## *Scope 2 – Energy Indirect GHG Emissions*

The Group's largest source of GHG emissions arises from the use of purchased electricity. The calculation of Scope 2 GHG emissions is location-based. Electricity consumption accounts for the total indirect GHG emissions within the Group. In an effort to reduce energy consumption, the Group has initiated energy-saving measures, which will be described in the section headed "Energy Efficiency" under aspect A2.

## *Scope 3 – Other Indirect GHG Emissions*

Other indirect GHG emissions of the Group include purchased goods and services, capital goods, paper waste processing, and business air travel. To reduce related GHG emissions, the Group has implemented measures to reduce paper usage and business air travel, which will be described in the section headed "Non-hazardous Waste Handling" under this aspect and the section headed "Energy Efficiency" under aspect A2 respectively.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group adopts the operational control approach as its GHG calculation, as it accounts for emissions that the Group has authority to establish and implement operational policies from the operation.

The Group's Scope 1 and Scope 2 GHG emission intensity (tCO<sub>2</sub>e/employee) decreased from approximately 0.86 in 2024 to approximately 0.83 in 2025. Given that the Group's Scope 1 and Scope 2 GHG emission intensity in 2022 was approximately 0.83 tCO<sub>2</sub>e/employee, the Group is currently on track to meet its target. The Group calculates its emission and report to the Board annually.

Summary of the Group's GHG emission performance:

<b>Types of GHG emissions<sup>1</sup></b>	<b>Unit<sup>2</sup></b>	<b>2025</b>	2024
Scope 1 – Direct GHG emissions	tCO <sub>2</sub> e	<b>27.85</b>	35.71
• Petrol consumed by vehicles			
Scope 2 – Energy indirect GHG emissions	tCO <sub>2</sub> e	<b>69.35</b>	66.23
• Purchased electricity			
Scope 3 – Other indirect GHG emissions	tCO <sub>2</sub> e	<b>56.18<sup>3</sup></b>	55.29 <sup>3</sup>
• Purchased goods and services			
• Capital goods			
• Paper waste processing			
• Business air travel			
<b>Scope 1 and Scope 2 GHG emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>97.20</b>	101.94
<b>Scope 1 and Scope 2 GHG emissions intensity</b>	<b>tCO<sub>2</sub>e/employee</b>	<b>0.83</b>	0.86
<b>Total GHG emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>153.38</b>	157.23
<b>GHG emission intensity</b>	<b>tCO<sub>2</sub>e/employee</b>	<b>1.31</b>	1.33

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Note(s):

1. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development; “How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, the “Global Warming Potential Values” from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC); “Announcement on the Release of the 2022 and 2023 Carbon Dioxide Emission Factors for Electricity” published by the Ministry of Ecology and Environment of the People’s Republic of China; the Sustainability Report 2023 and the Sustainability Report 2024 published by HK Electric; and the “Supply Chain Greenhouse Gas Emission Factors” issued by the United Nation Environmental Protection Agency.
2. tCO<sub>2e</sub> is defined as tonnes of carbon dioxide equivalent.
3. The Scope 3 emissions covered in 2024 and 2025 included emissions from purchased goods and services, capital goods, paper waste processing, and business air travel, which are Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 5: Waste Generated in Operations and Category 6: Business Travel respectively.

The Group is dedicated to disclosing the amount and percentage of assets or business activities that are vulnerable to climate-related transitions risks and climate-related physical risks and aligning with climate-related opportunities, and the capital expenditure deployed towards climate-related risks and opportunities when information is available. The Group will seek potential and continue to enhance the data capabilities such that such data will be disclosed in the future. The Group did not apply an internal carbon price currently. Nevertheless, the Group will continue to monitor developments in market-based carbon pricing and the latest regulatory requirements related to carbon taxes, in order to minimise exposure to associated climate-related risks. Also, no cross-industry metrics and industry-based metrics are applied at the current stage.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2. Social

### *B1. Employment*

Employees are the most valuable asset of the Group and are the foundation of the Group's success. In order to create sustainable growth, good recruitment and retention practices must be enforced to maintain or expand the talent pool. In addition, the Group is dedicated to the principles of “respecting the committed, utilising the competent, nurturing the aspiring, and incentivising the innovative” when making human resource adjustments.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that would have a significant impact on the Group, including but not limited to the Employment Ordinance of Hong Kong, the Sex Discrimination Ordinance of Hong Kong, the Disability Discrimination Ordinance of Hong Kong, the Family Status Discrimination Ordinance of Hong Kong, the Race Discrimination Ordinance of Hong Kong, the Law on the Protection of Women's Rights and Interests of the People's Republic of China, the Law of the People's Republic of China on the Protection of Persons with Disabilities, the Labour Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Company Law of the People's Republic of China, and the Labour Contract Law of the People's Republic of China.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at 31 December 2025, the Group has 117 (as at 31 December 2024: 118) employees, 105 (as at 31 December 2024: 112) of whom were full-time employees, and the rest were part-time employees. The breakdown of employees according to gender, age group, geographical region, and employee category was as follows:

<b>Categories</b>	<b>As at 31 December 2025</b>	As at 31 December 2024
<b>By gender</b>		
Male	<b>51</b>	55
Female	<b>66</b>	63
<b>By age group</b>		
16 to 24 years old	–	–
25 to 40 years old	<b>59</b>	62
41 to 59 years old	<b>54</b>	53
60 years old or above	<b>4</b>	3
<b>By geographical region</b>		
Hong Kong	<b>34</b>	35
Beijing	<b>36</b>	36
Chengdu	<b>28</b>	30
Shenzhen	<b>19</b>	17
<b>By employee category</b>		
Management	<b>16</b>	21
General staff	<b>101</b>	97

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group's overall full-time employee turnover rate was approximately 8.55% (2024: 22.86%)<sup>1</sup>. The following table shows the employee turnover rate by gender, age group, geographical region, and employee category<sup>2</sup>.

Categories	Unit	2025	2024
<b>By gender</b>			
Male	Percentage	<b>13.73</b>	22.81
Female	Percentage	<b>4.55</b>	22.90
<b>By age group</b>			
25 to 40 years old	Percentage	<b>10.17</b>	23.84
41 to 59 years old	Percentage	<b>3.70</b>	17.98
60 years old or above	Percentage	<b>50.00</b>	40.00
<b>By geographical region</b>			
Hong Kong	Percentage	<b>5.88</b>	35.82
Beijing	Percentage	<b>11.11</b>	15.19
Chengdu	Percentage	<b>7.14</b>	3.39
Shenzhen	Percentage	<b>10.53</b>	45.00
<b>By employee category</b>			
Management	Percentage	<b>6.25</b>	4.55
General staff	Percentage	<b>8.91</b>	26.87

Note(s):

1. The overall employee turnover rate is calculated by dividing the total number of employees leaving employment during the reporting period by the number of employees at the end of the reporting period, multiplied by 100%.
2. The employee turnover rate for each category is calculated by dividing the number of employees leaving employment in the specified category during the reporting period by the number of employees in the specified category at the end of the reporting period, multiplied by 100%.

Relevant employment policies are formally documented in the Employee Handbook, covering compensation and dismissal, recruitment and promotion, working hours and rest periods, equal opportunities and diversity, etc. Policies and employment practices are periodically assessed and updated, if necessary, to ensure continuous improvement of the Group's employment standards and competitiveness against companies in similar industries.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Recruitment, Compensation, Promotion and Dismissal*

The Group strives to ensure that each employee receives a fair and just assessment of their performance during recruitment and day-to-day work. The Group also awards its employees according to their achievements and contributions. To this end, the Group has established the Performance Appraisal System, the Business Post Salary Standard and Appraisal Scheme, and the Remuneration System for policies on recruitment, promotion, compensation, and dismissal to ensure fairness.

Employees are recruited via a robust, transparent, and fair recruitment process based on their merits and their potential to fulfil the Group's current and future needs. The Group offers fair compensation packages for employees based on employee capabilities and industry standards. Compensation packages include variable bonuses, annual leave, maternity leave, paternity leave, birthday leave, marriage leave, bereavement leave, etc. In addition, the Group complies with the Employees' Compensation Ordinance of Hong Kong and the Labour Law of the People's Republic of China, which both provide coverage for employees injured by accidents or contracted diseases while working.

Promotion is based on job-related skills, qualifications, and performance. The Group conducts an annual performance and salary review to determine any salary adjustments, performance bonuses, and/or promotion opportunities.

Unreasonable dismissal under any circumstances is prohibited. Dismissal would be based on reasonable and lawful grounds supported by internal policies. Before dismissal, verbal or written warnings will be issued to provide employees with an opportunity for improvement. If no improvement is noted, the Group shall then consider dismissal only upon receiving dismissal instructions from the relevant department.

### *Equal Opportunity, Diversity, and Anti-discrimination*

The Group believes that its sustainable development can be improved by recruiting talents from different backgrounds, regardless of their gender, age, sexual orientation, or religious beliefs. The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. Furthermore, the Group is dedicated to providing equal opportunities in all aspects of employment and strictly prohibiting any activities associated with discrimination or harassment based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, or sexual orientation. The Group strives to protect its employees by ensuring that complaints, grievances, concerns, and whistle-blowing are promptly and confidentially dealt with. The Group has complied with the relevant laws and regulations relating to equal opportunity, diversity, and anti-discrimination.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Other Benefits and Welfare*

The Group actively seeks to introduce additional benefits and welfare to encourage retention, foster a sense of belonging, and enhance job satisfaction. Currently, the Group provides performance commission, monthly birthday celebrations, birthday leave, medical schemes, and festive meals or gifts to its employees. The Group also provides travel allowances for employees during their rest period. The Group aims to enhance team cohesion by assembling a number of sports teams, including a basketball team and a yoga team, and organising sports competitions. In addition, the Group understands the importance of rest and has therefore designated a rest area at its offices. Reading groups are also held to unleash employees' potential and interests outside the realm of work.

During the Reporting Period, the Group received the MPF Support Award from the Hong Kong Mandatory Provident Schemes Authority and the Caring Company logo from the Hong Kong Council of Social Service.



### *Working Hours and Rest Periods*

The Group has formulated the "Employee Overtime, Travel and Leave System" for governing the working hours and rest periods for employees according to local employment laws. An 8-hour work day is applied to office employees. Overtime work due to an increased workload must receive permission from the management, and overtime wages will be paid in accordance with the Labour Law of the People's Republic of China.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *B2. Health and Safety*

The Group shoulders the responsibility of maintaining a safe and healthy working environment for all its employees and is committed to protecting their well-being. The Group has formulated and implemented the Safe Production Management Policy to strengthen the safety management, so as to safeguard the properties and lives of employees and customers. For instance, the Group conducts seasonal checking to ensure a safe workplace under various climate conditions and arranges inspections of electrical appliances, mechanical equipment, and fire prevention devices by professional parties at least twice a year. During the Reporting Period, the Group is recognised as the “Harmony@Workplace Organisation” by Occupational Safety and Health Council of Hong Kong.

Local laws and regulations related to health and safety are being complied with, and relevant guidelines recommended by the Labour Department and the Occupational Safety and Health Council of Hong Kong have been adopted. During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the Occupational Safety and Health Ordinance of Hong Kong, the Labour Law of the People’s Republic of China, the Production Safety Law of the People’s Republic of China, the Prevention and Treatment of Occupational Diseases Law of the People’s Republic of China and the Fire Protection Law of the People’s Republic of China.

There were no work-related fatalities recorded in the past three years, including the Reporting Period. Yet, there was 1 case of work-related injury and that resulted in a total of 180 lost days of work during the Reporting Period. The Group reviewed the causes of the injury to formulate corrective measures and distributed a one-time medical compensation allowance to the injured employee.

#### *Occupational Health and Safety Measures*

To ensure the Group’s employees have a safe and pleasant environment to work in, the Group places reminders on keeping the corridors clutter-free, classifies and recycles waste, and arranges air-conditioning equipment and carpet cleaning services regularly. All employees are required to participate in health and safety training regularly to acquire necessary safety knowledge and familiarise themselves with relevant safety rules. All employees must pass the safety examination before on board.

Regular pest tests are conducted to ensure all furniture and fixtures are pest-free. To prevent fire hazards, the Group has strategically placed fire extinguishers and ensured that employees are aware of their location. Meanwhile, the Group organised fire safety training and fire drills on a regular basis to get employees prepared for emergencies.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### B3. Development and Training

The Group prides itself on its talented employees and is committed to fostering a learning culture that supports the development of employees' capabilities. The Group is recognised as Manpower Developers ("MDs") under the scheme of the Manpower Developer Award Scheme by the Employees Retraining Board ("ERB"), which demonstrates its achievements in manpower training and development. To ensure that employees retain their competitive edge, the Group actively encourages and provides employees with ample opportunities to attend training and seminars to keep abreast of ever-changing trends or gain new expertise. The training content is monitored and updated to ensure validity and accuracy, providing maximum benefit to the employees. The Group has adopted the General Principles of Employee Training to standardise employee training management.

During the Reporting Period, employees have participated in courses, seminars, and webinars on topics such as industry best practices, sales and negotiation skills, risk identification techniques, regulatory updates, and ethical operations.

During the Reporting Period, approximately 72.44% (2024: approximately 59.59%)<sup>1</sup> of the Group's employees participated in training, and the average training hours per employee was approximately 6.21 hours (2024: approximately 2.61 hours)<sup>2</sup>.

The percentage of trained employees, breakdown of trained employees, and average training hours completed per employee by gender and employee category, were as follows:

Categories	Percentage of trained employees (%) <sup>3</sup>		Breakdown of trained employees (%) <sup>4</sup>		Average training hours (hours) <sup>5</sup>	
	2025	2024	2025	2024	2025	2024
<b>By gender</b>						
Male	<b>62.07</b>	54.41	<b>39.13</b>	42.53	<b>4.39</b>	2.72
Female	<b>81.16</b>	64.10	<b>60.87</b>	57.47	<b>7.74</b>	2.51
<b>By employee category</b>						
Management	<b>100</b>	95.45	<b>19.57</b>	24.14	<b>12.03</b>	7.93
General employees	<b>67.27</b>	53.23	<b>80.43</b>	75.86	<b>5.31</b>	1.66

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Note(s):

1. The percentage of trained employees is calculated by dividing the number of trained employees during the reporting period by the total number of employees (including resigned employees) during the reporting period, multiplied by 100%.
2. The average training hours per employee is calculated by dividing the total training hours during the reporting period by the total number of employees (including resigned employees) during the reporting period.
3. The percentage of trained employees by category is calculated by dividing the number of trained employees in the specified category during the reporting period by the total number of employees in the specified category (including resigned employees) during the reporting period, multiplied by 100%.
4. The breakdown of trained employees is calculated by dividing the number of trained employees in the specific category during the reporting period by the total number of trained employees in the specified category during the reporting period, multiplied by 100%.
5. The average training hours per employee is calculated by dividing the total training hours of employees in the specified category during the reporting period by the number of employees in the specified category (including resigned employees) during the reporting period.

### *B4. Labour Standards*

#### *Prevention of Child and Forced Labour*

The Group strictly prohibits child and forced labour as defined by local laws and regulations to safeguard employees' rights. The Group strictly abides by local laws and will not employ children under the legal working age or forced labour in accordance with the UN Declaration of Human Rights. The Group's Human Resources Department is responsible for monitoring and ensuring compliance with the latest laws and regulations that prohibit child and forced labour. Personal data is collected during the recruitment process to assist in the selection of suitable candidates and to verify the candidates' eligibility. The Human Resources Department carefully checks candidates' identity documents before formal employment. If any practice of child labour or forced labour is discovered, the Group will investigate the case thoroughly and dismiss the relevant employees immediately.

The working hours of the employees strictly comply with the local laws and regulations. The employees' resting time is well respected, and the employees enjoy paid holidays in accordance with the laws and regulations. To prevent forced overtime work, any necessary arrangements for overtime must be agreed upon by the employees voluntarily. Overtime pay are distributed in line with the local laws and regulations.

Moreover, the Human Resources Department has established a reporting mechanism to monitor and ensure compliance with all relevant laws and regulations. If a violation is involved, it will be dealt with promptly in the light of the circumstances.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China, and the Labour Contract Law of the People's Republic of China.

### *B5. Supply Chain Management*

The Group's main suppliers are third-party service providers in the information technology, property management, advertising, and legal and consulting sectors. Other than financial service providers, the Group also works with suppliers of office equipment and stationery. To ensure suppliers have met the Group's standards and requirements regarding product and service quality, environment, and product health and safety, the Group has established a stringent and standardised Procurement Management Policy to evaluate suppliers carefully and ensure they are subject to regular monitoring and assessments. During the Reporting Period, the Group had a total of 24 (2024: 22) suppliers, all of whom were evaluated according to the Group's standardised procurement practices.

The geographical distribution of the Group's suppliers was as follows:

<b>By region</b>	<b>2025</b>	<b>2024</b>
Shenzhen	<b>7</b>	6
Beijing	<b>4</b>	4
Hong Kong	<b>10</b>	10
Chengdu	<b>3</b>	2

### *Fair and Open Procurement*

Suppliers are selected under a fair and open procurement process that considers a range of factors, including but not limited to quality, delivery time, after-sales services, as well as the prevailing market price. Responsible personnel should quote from at least two suppliers to ensure the best option is adopted and seek approval from the management before procurement. For the purpose of risk diversification, the Group intends to not over-rely on a specific supplier in order to enhance the resilience of the supply chain. Any discrimination against certain vendors without reasonable grounds and any types of business bribery practices are strictly prohibited.

### *Sustainable Procurement*

The Group proactively explores possibilities to further minimise its carbon footprint in the procurement process. The Group has implemented the Environmental Procurement Policy to reduce its carbon footprint, support local procurement, and give priority to the purchase of recycled and environmentally-friendly products. This policy is regularly monitored to ensure it remains effective and aligns with the sustainability goal of the Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure that suppliers meet the Group's requirements and standards, especially in the area of ESG performance and providing environmentally preferred products, the Group has established a supply chain management team to select and evaluate qualified suppliers. The Group has implemented stringent procedures and standards for selecting and reviewing suppliers which are regularly monitored and updated to ensure alignment with the evolving standards in the industry. The Group focuses on the suppliers' reputation, employment and labour standards, operating practices, environmental policies, etc. All suppliers are evaluated carefully and subject to regular monitoring and assessments to manage risks associated with suppliers.

The Group also pays close attention to the environmental awareness of its suppliers and promotes sound environmental performance and governance practices among its business partners and suppliers. The Group encourages its business partners and suppliers to consider the risks posed to their operations by climate change and to actively mitigate their environmental impacts during supplier management meetings and events. Suppliers are encouraged to consider and manage their environmental and social issues in their operations for priority consideration. The Group maintains close communication with suppliers to understand their supplies and services, resolves related supplies and service issues, and makes corresponding improvement measures. The Group also shares sustainable operating practices and disseminates environmental concepts, including the latest knowledge on quality safety, good employment, and environmental practices to its suppliers.

### *B6. Product Responsibility*

The Group places great emphasis on maintaining a solid corporate governance and risk management framework to aid the Group's long-term development and sustainable growth. Therefore, the Group continuously improves its corporate rules and regulations to ensure strict compliance with local laws and regulations.

The Group is equipped with a risk control team consisting of professionals who are certified public accountants, lawyers, certified public valuers, and professionals who hold working qualifications in the financial institution. The Audit Committee, composed of independent non-executive directors, periodically reviews the existing risk management system to ensure that relevant procedures remain effective and up-to-date.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group, including but not limited to the Money Lenders Ordinance, the Personal Data (Privacy) Ordinance, the Securities and Futures Ordinance of Hong Kong, and the Advertising Law of the People's Republic of China.

Due to the Group's business nature, the Group's businesses do not involve the production and sale of physical products. The number of recalls for safety and health reasons and the relevant recall procedures are therefore not applicable to the Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Quality Assurance*

To promote responsible money-lending services, employees are required to familiarise themselves with related guidelines on money-lending procedures. Guidelines on the special requirements for money-lending business advertisements are formally documented in the Consolidated Handbook. The guideline states that advertisements, whether in textual, audio, or visual form, must contain the relevant subsidiary's telephone hotline for handling complaints and a well-established risk warning statement. Where applicable, the risk warning statement must also be audible in the advertisement. Further information can be found in the section headed "Anti-money Laundering, Counter-financing of Terrorism, Fraud and Bribery".

The Group highly values the rights and perspectives of its customers. Hence, the Group actively seeks to develop its business by listening carefully to customer suggestions and resolving complaints and disputes in a timely manner. To maintain good communications with its customers, the Group has developed different communication channels such as the official website, service hotlines, and dedicated mailboxes to understand the customers' expectations and suggestions for the Group's performance. The Group has formulated relevant guidelines and procedures for employees to handle customer complaints and enquiries effectively. During the Reporting Period, the Group did not receive any material product- or service-related complaints.

### *Customer Data and Privacy Protection*

During the provision of products and services, a wide range of sensitive information is entrusted to the Group by its customers. To ensure proper storage and management of information and prevent potential data leakage, the Group has installed and routinely upgrades its firewall, anti-virus, and anti-spam solutions. Instructions with respect to confidentiality are also clearly stated in the Employee Handbook. The Group restricts employee access to sensitive data, only allowing access to relevant employees who need the data to complete their roles and responsibilities. Such policy is subject to regular monitoring to ensure it remains appropriate and effective. Any violations of the privacy policy are major misconduct and are subject to disciplinary actions, including dismissal and judicial proceedings.

### *Intellectual Property ("IP") Rights*

The Group is dedicated to protecting and enforcing the Group's own IP rights while respecting the IP rights of other enterprises. The Group has established relevant policies to govern the information technology management within the Group. The Group has obtained proper licenses for the software and information used by the Group in its business operations. Any duplication or downloading of information, software, or images from the internet must be approved by relevant departments.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *B7. Anti-Corruption*

The Group is committed to conducting all its businesses with integrity. Hence, the Group has formulated the Code of Conduct, which requires employees to maintain the highest standards of professionalism in all their dealings with others. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning bribery, extortion, fraud, and money laundering that would have a significant impact on the Group, including but not limited to the Money Lenders Ordinance, the Personal Data (Privacy) Ordinance, the Securities and Futures Ordinance of Hong Kong, the Anti-Unfair Competition Law of the People's Republic of China and the Criminal Law of the People's Republic of China. Meanwhile, the Group also had no concluded legal cases regarding corrupt practices brought against the Group or its employees.

#### *Anti-money Laundering, Counter-financing of Terrorism, Fraud and Bribery*

As a financial services provider, the Group is sensitive to the prevention of money laundering, potential fraud, and bribery practices. The Group closely monitors signs of money laundering and financial crimes. A number of procedures such as a background investigation, due diligence, and loan approvals for loan financing applications are in place to safeguard the interests of the Group and ensure compliance with the prescribed laws and regulations set up by regulatory authorities. These procedures are subject to regular monitoring to ensure they remain appropriate and effective. The Group also provides guidelines and training on the prevention of improper practices to employees and reminds them of good practices to prevent unnecessary legal complications.

#### *Anti-corruption Mechanism*

The Group has implemented anti-corruption mechanism, which is designed to ensure integrity, transparency and compliance in the Company's operations, prevent and combat all forms of fraudulent behaviour, and safeguard the legitimate rights and interests of the Company, its shareholders, employees and business partners.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Anti-corruption Training*

The Group endeavours to maintain a culture of integrity, transparency, and accountability by adhering to stringent anti-corruption practices. The Group regularly conducts training to introduce its anti-corruption policies, including the Whistleblowing Policy and the Code of Conduct, to its employees, striving to familiarise themselves with the Group's requirements and current legislation, as well as promote the correct procedures to report corrupt practices. The Group also arranges different anti-corruption training for employees to highlight the importance of anti-corruption. During the Reporting Period, the Group's 2 directors and 9 general employees received a total of 4 and 13 hours of anti-corruption training respectively.

### *Whistle-blowing Mechanism*

The Group has formulated and regularly monitored the effectiveness of the Whistleblowing Policy, which defines the reporting and investigative procedure to encourage employees to report fraudulent activities. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. The whistle-blower should make their reports to the Whistleblowing Screening Committee in writing by email or post. If the concerns raised involve a director or a member of the Executive Committee member or the Whistleblowing Screening Committee, the whistle-blower may, at their own discretion, choose to report directly to the respective Chairperson of the Audit Committee or the Board. The management will then investigate the suspected illegal behaviour and take appropriate actions. The Group assures the whistle-blower reporting in good faith against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *B8. Community Investment*

The Group is committed to empowering and supporting the public through social participation and contribution. As part of its strategic development, the Group has established relevant guidelines on community investment to nurture corporate culture and corporate citizenship.

During the Reporting Period, the Group focused on child and youth development. For example, employees of the Group joined the Christmas music decoration workshop organised by the Evangelical Lutheran Church Social Service – Hong Kong (“ELCHK”), striving to bring happiness to children during the festival. Employees of the Group participated in this workshop and donated a total of HK\$12,000.

Moreover, the Group participated in Youth 2025 Internship Programme organised by Employees Retraining Board. The programme aims to enhance young people’s understanding of the dynamic world of work. The youth are provided with opportunity to explore their potential and plan their future career paths through short-term work experiences and workplace activities. The Group has also participated in the Tung Wah Group of Hospitals 155<sup>th</sup> Anniversary Flag Day.

The Group remains committed to strengthening its community engagement efforts and will continue to increase its involvement in charitable initiatives, including donations and volunteer programmes in the coming years.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### The ESG Reporting Code Content Index of the Stock Exchange

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	Introduction – The ESG Governance Structure, Chairman’s Statement
Reporting Principles	Reporting Framework
Reporting Boundary	Reporting Scope

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>A. Environmental</b>		
<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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air Emissions
KPI A1.2	Repealed on 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).	Emissions – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Climate-Related Disclosure – Metrics and Targets
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.	Emissions – Waste Management

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	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).	Use of Resources – Energy Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Efficiency
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.	Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Material
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The 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.	The Environment and Natural Resources

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A4: Climate Change</b>		
General Disclosure	Repealed on 1 January 2025	
KPI A4.1	Repealed on 1 January 2025	
<b>B. Social</b>		
<b>Aspect B1: Employment</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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B2: Health and Safety</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 providing a safe working environment and protecting employees from occupational hazards.	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.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Occupational Health and Safety Measures
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child and Forced Labour
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
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	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Sustainable Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Sustainable Procurement

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B6: Product Responsibility</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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Quality Assurance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property (“IP”) Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Customer Data and Privacy Protection

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B7: Anti-corruption</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 bribery, extortion, fraud and money laundering.	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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption – Anti-money Laundering, Counter-financing of Terrorism, Fraud and Bribery, Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption – Anti-corruption 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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Governance</b>		
19	An issuer shall disclose information about:	Climate – related Disclosure – Governance
(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; and	
(b)	management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
<b>Strategy</b>		
<b>Climate-related risks and opportunities</b>		
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	Climate – related Disclosure – Strategy
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;	
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d)	explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Business model and value chain</b>		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	Climate – related Disclosure – Strategy
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	
<b>Strategy and decision-making</b>		
22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	Climate – related Disclosure – Strategy
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation; and	
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate – related Disclosure – Strategy

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Current financial effect</b>		
24.	An issuer shall disclose qualitative and quantitative information about:	Climate – related Disclosure – Strategy
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
<b>Anticipated financial effect</b>		
25.	The issuer shall provide qualitative and quantitative disclosures about:	Climate – related Disclosure – Strategy
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; 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.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Climate resilience</b>		
26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	Climate – related Disclosure – Strategy
(a)	the issuer's assessment of its climate resilience as at the reporting date; and	
(b)	how and when the climate-related scenario analysis was carried out.	
<b>Risk Management</b>		
27.	An issuer shall disclose information about:	Climate – related Disclosure – Risk Management
(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;	
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Metrics and Targets</b>		
<b>Greenhouse gas emissions</b>		
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	Climate – related Disclosure – Metrics and Targets
(a)	Scope 1 greenhouse gas emissions;	
(b)	Scope 2 greenhouse gas emissions; and	
(c)	Scope 3 greenhouse gas emissions.	
29.	An issuer shall:	Climate – related Disclosure – Metrics and Targets
(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
(b)	disclose the approach it uses to measure its greenhouse gas emissions;	
(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and	
(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Climate-related transition risks</b>		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate – related Disclosure – Metrics and Targets
<b>Climate-related physical risks</b>		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate – related Disclosure – Metrics and Targets
<b>Climate-related opportunities</b>		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate – related Disclosure – Metrics and Targets
<b>Capital deployment</b>		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate – related Disclosure – Metrics and Targets
<b>Internal carbon prices</b>		
34.	An issuer shall disclose:	Climate – related Disclosure – Metrics and Targets
(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	
<b>Remuneration</b>		
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Climate – related Disclosure – Governance

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<b>Industry-based metrics</b>		
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Climate – related Disclosure – Metrics and Targets
<b>Climate-related targets</b>		
37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	Climate – related Disclosure – Metrics and Targets
(a)	the metric used to set the target;	
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d)	the period over which the target applies;	
(e)	the base period from which progress is measured;	
(f)	milestones or interim targets (if any);	
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

<b>Part D: Climate-related Disclosures</b>		
<b>Subject Areas, Aspects, General Disclosures &amp; KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Climate – related Disclosure – Metrics and Targets and Governance
(a)	whether the target and the methodology for setting the target has been validated by a third party;	
(b)	the issuer’s processes for reviewing the target;	
(c)	the metrics used to monitor progress towards reaching the target; and	
(d)	any revisions to the target and an explanation for those revisions.	
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.	Climate – related Disclosure – Metrics and Targets
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Climate – related Disclosure – Metrics and Targets
(a)	which greenhouse gases are covered by the target;	
(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d)	whether the target was derived using a sectoral decarbonisation approach; and	
(e)	the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	
<b>Applicability of cross-industry metrics and industry-based metrics</b>		
41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Climate – related Disclosure – Metrics and Targets

## INDEPENDENT AUDITOR'S REPORT



### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINA FINANCIAL SERVICES HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

#### Opinion

We have audited the consolidated financial statements of China Financial Services Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 102 to 216, 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 profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

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

#### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. 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.

## INDEPENDENT AUDITOR'S REPORT

### 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.

#### The key audit matter

#### How the matter was addressed in our audit

##### Valuation of loan receivables

We identified the valuation of loan receivables as a key audit matter due to significant degree of management judgements and estimates in assessing the recoverability of loan receivables.

As set out in Note 4 to the consolidated financial statements, the Group estimates the amount of impairment losses for expected credit loss ("ECL") on loan receivables based on the credit risk of loan receivables. The amount of the impairment losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Where the probability of default is higher than expected, or being revised upwards due to changes in facts and circumstances, a material impairment loss may arise.

As disclosed in Note 20 to the consolidated financial statements, the carrying amount of loan receivables as at 31 December 2025 is HK\$915,078,000 (net of allowance for ECL of HK\$978,815,000).

Our procedures in relation to valuation of loan receivables included:

- Obtaining an understanding of and assessing the design and implementation of management's key controls relating to credit control, debt collection and impairment assessment of loan receivables;
- Assessing the reasonableness of impairment under ECL model by examining the information used by management to form its judgements and estimates, including test of accuracy of the historical default data with reference to the credit history, delay in payments, settlement records, aging analysis of each relevant debtor, and estimated value of the collaterals on loan, on a sample basis;
- Evaluating the reasonableness of the forward-looking information management has taken into account; and
- Testing the mathematical accuracy of the ECL model on loan receivables prepared by management.

# INDEPENDENT AUDITOR'S REPORT

## Key audit matters *(Continued)*

### Key audit matter

### How the matter was addressed in our audit

#### Impairment assessment of goodwill

We identified impairment of goodwill as a key audit matter due to significant management judgements involved in determining the recoverable amount of the goodwill for impairment assessment.

As set out in Note 16 to the consolidated financial statements, impairment of goodwill is assessed by comparing the recoverable amounts of respective cash-generating units ("CGUs") to which goodwill is allocated, to their carrying values at the end of each reporting period. Significant judgements and assumptions are required by the management in assessing the impairment of goodwill, which are determined with reference to the present value of the estimated future cash flows arising from respective CGUs with key assumptions including expected changes to revenue and direct costs, suitable discount rates and growth rates in order to calculate the recoverable amounts of the CGUs.

Included in the Group's consolidated statement of financial position as at 31 December 2025, the goodwill amount is HK\$272,616,000. In the opinion of the directors of the Company, no impairment loss is recognised for the year ended 31 December 2025.

Our procedures in relation to the impairment assessment of goodwill included:

- Obtaining an understanding of and assessing the design and implementation of management's key control relating to the Group's impairment assessment process including cash flow forecast preparation process;
- Assessing the reasonableness of the key assumptions made by the management in determining the recoverable amount of the CGUs, including discount rates, growth rates and expected changes to revenue and direct costs by comparing to the historical performance, the most recent actual performance of respective CGUs;
- Testing the mathematical accuracy of the underlying value-in-use calculations; and
- Evaluating the sensitivity analysis performed by management around the key assumptions applied to ascertain the extent of change in those assumptions that either individually or collectively would be required for the goodwill to be impaired.

## INDEPENDENT AUDITOR'S REPORT

### Other information

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

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

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

### Responsibilities of the directors and those charged with governance for the consolidated financial statements

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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.
- 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.

## INDEPENDENT AUDITOR'S REPORT

### Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Li Man Chun Jesse.

#### **Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, 27 March 2026

#### **Li Man Chun Jesse**

Practising Certificate Number P08302

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Interest and financing consultancy services income</b>	5	<b>93,585</b>	101,595
Interest and handling expenses	5	<b>(33,259)</b>	(29,434)
<b>Net interest income and service income</b>	5	<b>60,326</b>	72,161
Education service income	5	<b>10,208</b>	–
Other income and other gains and losses	6	<b>(6,167)</b>	6,189
Impairment losses on financial instruments, net of reversal	7	<b>(21,755)</b>	(44,206)
Impairment loss on goodwill	16	–	(28,149)
Reversal of loan and interest payables	26(c)	<b>86,967</b>	169,224
Reversal of liabilities arising from loan guarantee contracts	26(d)	<b>1,601</b>	1,087
General and administrative expenses		<b>(111,213)</b>	(122,933)
Impairment loss on interest in an associate		<b>(3,179)</b>	–
Share of results of associates		<b>(2,191)</b>	(1,633)
<b>Profit before taxation</b>	8	<b>14,597</b>	51,740
Income tax	9	<b>56,573</b>	(9,443)
<b>Profit for the year</b>		<b>71,170</b>	42,297
<b>Attributable to:</b>			
Owners of the Company		<b>71,452</b>	41,232
Non-controlling interests		<b>(282)</b>	1,065
<b>Profit for the year</b>		<b>71,170</b>	42,297
<b>Earnings per share</b>		<b>HK\$</b>	HK\$
– Basic	12	<b>0.35</b>	0.20

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>Profit for the year</b>	<b>71,170</b>	42,297
<b>Other comprehensive income/(expense) for the year, net of income tax</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<b>22,062</b>	(13,754)
<b>Total comprehensive income for the year</b>	<b>93,232</b>	28,543
<b>Attributable to:</b>		
Owners of the Company	<b>91,579</b>	29,160
Non-controlling interests	<b>1,653</b>	(617)
<b>Total comprehensive income for the year</b>	<b>93,232</b>	28,543

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December	
		2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	13	68,658	11,349
Investment properties	14	33,228	1,348
Goodwill	16	272,616	265,961
Intangible assets	17	5,089	12,339
Interests in associates	18	12,446	34,160
Other financial assets	19	–	5,287
Loan receivables	20	89,005	111,388
Deferred tax assets	29	4,601	2,256
		<b>485,643</b>	444,088
<b>Current assets</b>			
Loan receivables	20	826,073	886,683
Interest receivables	21	2,230	5,570
Accounts receivables	22	554	–
Repossessed assets	23	45,900	38,325
Other receivables, deposits and prepayments	24	72,964	68,484
Amounts due from associates	28	205	6,229
Other financial assets	19	2,578	16,198
Cash and cash equivalents	25	276,871	273,019
		<b>1,227,375</b>	1,294,508
<b>Current liabilities</b>			
Borrowings and loan payables	26	569,292	661,739
Other payables, accruals and deposit received	27	138,355	96,647
Liabilities arising from loan guarantee contracts	26(d)	35,487	57,942
Amounts due to associates	28	3,560	2,764
Unsecured bonds	30	10,000	10,226
Derivative financial instruments	31	217	–
Lease liabilities	32	3,638	3,809
Tax payables		96,383	152,558
		<b>856,932</b>	985,685
<b>Net current assets</b>		<b>370,443</b>	308,823
<b>Total assets less current liabilities</b>		<b>856,086</b>	752,911

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December	
		2025 HK\$'000	2024 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities	32	503	3,470
Deferred tax liabilities	29	21,033	15,781
		21,536	19,251
<b>Net assets</b>		834,550	733,660
<b>Equity</b>			
Share capital	33	745,284	2,080,113
Reserves		3,533	(1,422,875)
Total equity attributable to owners of the Company		748,817	657,238
Non-controlling interests		85,733	76,422
<b>Total equity</b>		834,550	733,660

Approved and authorised for issue by the board of directors on 27 March 2026 and were signed on its behalf by:

**Zhang Min**  
*Director*

**Zhang Kun**  
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital HK\$'000	Capital reduction reserve HK\$'000	Share-based compensation reserve HK\$'000 (Note 34)	Shares held under the share award scheme HK\$'000 (Note 34)	Exchange reserve HK\$'000 (Note 34)	Statutory surplus reserve HK\$'000 (Note 34)	(Accumulated losses)/ retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
<b>At 1 January 2024</b>	2,080,113	-	29,675	(56,661)	(318,181)	243,573	(1,357,805)	620,714	79,230	699,944
<b>Changes in equity in 2024:</b>										
Profit for the year	-	-	-	-	-	-	41,232	41,232	1,065	42,297
Other comprehensive expense	-	-	-	-	(12,072)	-	-	(12,072)	(1,682)	(13,754)
Total comprehensive (expense)/income	-	-	-	-	(12,072)	-	41,232	29,160	(617)	28,543
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(2,191)	(2,191)
Sales of shares held under the share award scheme	-	-	-	9,817	-	-	(2,453)	7,364	-	7,364
Lapse of share options	-	-	(13,867)	-	-	-	13,867	-	-	-
Transfer to reserve	-	-	-	-	-	2,050	(2,050)	-	-	-
<b>At 31 December 2024 and 1 January 2025</b>	2,080,113	-	15,808	(46,844)	(330,253)	245,623	(1,307,209)	657,238	76,422	733,660
<b>Changes in equity in 2025:</b>										
Profit/(loss) for the year	-	-	-	-	-	-	71,452	71,452	(282)	71,170
Other comprehensive income	-	-	-	-	20,127	-	-	20,127	1,935	22,062
Total comprehensive income	-	-	-	-	20,127	-	71,452	91,579	1,653	93,232
Capital reduction (Note 33)	(1,334,829)	1,334,829	-	-	-	-	-	-	-	-
Elimination of accumulated losses (Note 33)	-	(1,334,829)	-	-	-	-	1,334,829	-	-	-
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(1,745)	(1,745)
Lapse of share options	-	-	(15,808)	-	-	-	15,808	-	-	-
Transfer to reserve	-	-	-	-	-	1,428	(1,428)	-	-	-
Acquisition of subsidiaries (Note 38)	-	-	-	-	-	-	-	-	9,403	9,403
<b>At 31 December 2025</b>	745,284	-	-	(46,844)	(310,126)	247,051	113,452	748,817	85,733	834,550

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Operating activities</b>			
Profit before taxation		14,597	51,740
Adjustments for:			
Interest and handling expenses	5	33,259	29,434
Bank interest income	6	(2,767)	(4,013)
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	6	(104)	(173)
Loss from changes in fair value of investment properties	6	4,931	343
Gain from changes in fair value of financial assets at FVTPL, net	6	(3,755)	(1,081)
Loss from changes in fair value of derivative financial instruments	6	217	–
Loss on disposal of property, plant and equipment	6	6	10
Impairment losses on repossessed assets	6	3,665	–
Impairment losses on intangible assets	6	250	539
Impairment loss on interest in an associate		3,179	–
Recovery of loan receivables previously written off	6	–	(2,702)
Gain on early termination of lease contracts	6	–	(72)
Gain on disposal of a subsidiary	6	(2,460)	–
Loss on step acquisition of subsidiaries	6	686	–
Impairment losses on financial instruments, net of reversal	7	21,755	44,206
Depreciation of self-owned property, plant and equipment	8(b)	1,816	1,533
Depreciation of right-of-use assets	8(b)	4,523	4,696
Impairment loss on goodwill	16	–	28,149
Reversal of loan and interest payables	26(c)	(86,967)	(169,224)
Reversal of liabilities arising from loan guarantee contracts	26(d)	(1,601)	(1,087)
Share of results of associates		2,191	1,633
		<b>(6,579)</b>	<b>(16,069)</b>
<b>Changes in working capital</b>			
Decrease in loan receivables		13,831	108,452
(Increase)/decrease in interest receivables		(1,279)	783
Decrease in accounts receivables		3,120	–
Decrease in repossessed assets		19,742	–
(Increase)/decrease in other receivables, deposits and prepayments		(7,830)	6,977
Decrease in other payables, accruals and deposits received		(1,700)	(14,379)
		<b>19,305</b>	<b>85,764</b>
<b>Cash generated from operations</b>			
Taxation paid			
– PRC Enterprise Income Tax		(5,140)	(10,896)
– Withholding tax on dividends		(770)	(1,500)
PRC Enterprise Income Tax refunded		608	–
		<b>14,003</b>	<b>73,368</b>
<b>Net cash generated from operating activities</b>			

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Investing activities</b>			
Purchase of property, plant and equipment		(1,339)	(1,202)
Additions of investment properties		(1,193)	–
Purchase of other financial assets		(50,209)	(323,199)
Proceeds from disposal of other financial assets		73,045	334,997
Proceeds from disposal of property, plant and equipment		2	95
Repayment from an associate		–	49,763
Proceeds from dissolution of an associate		1,562	–
Advance to an associate		(91)	(23)
Bank interest received		2,767	4,013
Dividend received from other financial assets		104	173
Proceeds from disposal of a subsidiary	17	9,460	–
Net cash inflow arising from acquisition of subsidiaries	38	926	–
<b>Net cash generated from investing activities</b>		<b>35,034</b>	64,617
<b>Financing activities</b>			
Proceeds from new borrowings		310,733	21,700
Repayment of borrowings		(340,767)	(272,086)
Redemption of unsecured bonds		–	(41,146)
Advance from an associate		726	–
Capital element of lease rental paid		(4,431)	(4,720)
Interest element of lease rental paid		(415)	(552)
Other interest paid		(18,147)	(12,320)
Other finance costs paid		(12)	(866)
Dividends paid to non-controlling shareholders of subsidiaries		(1,745)	(2,191)
<b>Net cash used in financing activities</b>		<b>(54,058)</b>	(312,181)
<b>Decrease in cash and cash equivalents</b>		<b>(5,021)</b>	(174,196)
<b>Effect of foreign exchange rate changes</b>		<b>8,873</b>	(6,712)
<b>Cash and cash equivalents at beginning of the year</b>		<b>273,019</b>	453,927
<b>Cash and cash equivalents at end of the year</b>	25	<b>276,871</b>	273,019

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. Corporate Information

China Financial Services Holdings Limited (the “Company”) is a public limited company incorporated in Hong Kong and the ordinary shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 1993. Mr. Cheung Siu Lam (“Mr. Cheung”), through his direct shareholding in the Company, is the Company’s ultimate controlling party. The Company does not have any parent company.

The address of the Company’s registered office and principal place of business is Suite 5606, 56th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

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

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are set out in Note 15. The Company and its subsidiaries are hereinafter collectively referred to as the “Group”.

## 2 Application of new and amendments to HKFRS Accounting Standards

### 2.1 *Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year*

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 Application of new and amendments to HKFRS Accounting Standards *(Continued)*

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

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

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

#### *Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments*

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be recognised to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 Application of new and amendments to HKFRS Accounting Standards *(Continued)*

#### 2.2 *New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)*

##### *Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)*

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

##### *HKFRS 18 Presentation and Disclosure in Financial Statements*

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provision. The application of the new standard is not expected to have significant impact on the financial position and performance of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information

#### 3.1 *Basis of preparation of the consolidated financial statements*

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 “Leases” and measurement that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

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.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.1 *Basis of preparation of the consolidated financial statements (Continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

#### 3.2 *Material accounting policy information*

##### *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. 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).

When the Company has, directly or indirectly, 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 arrangements 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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Basis of consolidation (Continued)*

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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 (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) 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 accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

##### *Business combinations*

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Business combinations (Continued)*

Acquisitions of business are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition-date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. Acquisition-related costs are expensed as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “Conceptual Framework”) except for transactions and events within the scope of HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or HK(IFRIC)-Int 21 “Levies”, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 “Leases”) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Business combinations (Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 "Financial Instruments" would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Investments in associates*

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Investments in associates (Continued)*

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other Group's long-term interests that in substance form part of the Group's net investment in the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statement of financial position, investment in an associate is stated at cost less impairment losses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Goodwill*

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at the end of each reporting period. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Intangible assets*

##### *Intangible assets acquired separately*

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

##### *Property, plant and equipment*

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment loss.

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses:

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Property, plant and equipment (Continued)*

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings	20 to 50 years
– Leasehold improvements	3 years or over the remaining term of the lease, if shorter
– Furniture and equipment	3 to 5 years
– Motor vehicles	3 to 5 years
– Right-of-use assets	Over the lease term

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

##### *Investment properties*

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in fair value of investment properties are included in profit or loss for the period in which they arise.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Repossessed assets*

Repossessed assets are initially recognised at the lower of their fair value less costs to sell and the amortised cost of the related outstanding loans on the date of repossession. Upon repossession of assets, the respective loan and interest receivables together with the related impairment allowances are derecognised from the consolidated statement of financial position. Subsequently, repossession assets are measured at the lower of their cost and fair value less costs to sell, and therefore written down if and when the fair value less costs to sell falls below the carrying amount of the assets. The difference between the net proceeds and the carrying amounts of the repossessed assets will be recognised as gain or loss upon the disposal of the assets.

##### *Leases*

At inception of a contract, the Group assesses whether the 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

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

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Leases (Continued)*

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

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

##### *Financial assets and liabilities*

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on trade-date, the date on which the Group commits to purchase or sell the asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, impairment for financial assets measured at amortised cost is assessed under expected credit loss (“ECL”) model, and may result in an accounting loss being recognised in profit or loss when an asset is newly originated.

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

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- (i) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (ii) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument’s fair value can be determined using market observable inputs, or realised through settlement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

(a) Financial assets

(i) Classification and subsequent measurement

The Group's financial assets include accounts receivables, loans receivables, interest receivables, other receivables and deposits, amounts due from associates, other financial assets, and cash and cash equivalents.

The Group classifies its financial assets in the following measurement categories:

- (i) FVTPL;
- (ii) Fair value through other comprehensive income ("FVTOCI") or
- (iii) Amortised cost.

The classification requirements for debt and equity instruments are described below:

##### Debt instruments

Classification and subsequent measurement of debt instruments depend on:

- (i) the Group's business model for managing the asset; and
- (ii) the cash flows characteristics of the asset.

Business model assessment:

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) Financial assets *(Continued)*

##### (i) Classification and subsequent measurement *(Continued)*

##### Debt instruments *(Continued)*

##### SPPI test:

The Group assesses the contractual terms of instruments to identify whether the contractual cash flows are “solely payments of principal and interest (“SPPI”) on the principal amount outstanding”. Financial assets that are consistent with a basic lending arrangement are considered to meet the SPPI criterion. In a “basic lending arrangement”, consideration for the time value of money and credit risk are typically the most significant elements of interest. It may also include consideration for other basic lending risks such as liquidity risks, costs associated with holding the financial assets for a period of time (e.g., servicing or administrative costs) and a profit margin.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any ECL allowance recognised and measured at the end of each reporting period. Interest income from these financial assets is included in “Interest income” using the effective interest rate method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) Financial assets *(Continued)*

##### (i) Classification and subsequent measurement *(Continued)*

##### Debt instruments *(Continued)*

FVTOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated as at FVTPL, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains and losses". Interest income from these financial assets is included in "other income" using the effective interest rate method.

FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the consolidated statement of profit or loss within "other gains and losses" in the reporting period in which it arises, unless it arises from debt instruments that were designated as at fair value or which are not held for trading, in which case they are presented separately in "other gains and losses". Interest income from these financial assets is included in "interest income" using the effective interest rate method.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) Financial assets *(Continued)*

##### (i) Classification and subsequent measurement *(Continued)*

##### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment as at FVTOCI. Dividends, when represent a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVTPL are included in the "other gains and losses" line in the consolidated statement of profit or loss.

##### (ii) Impairment

The Group applies a simplified approach to measure ECL on accounts receivables and a general approach to measure ECL on loan receivables, interest receivables, other receivables and deposits, amounts due from associates and cash at banks as well as loan commitment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) Financial assets *(Continued)*

##### (ii) Impairment *(Continued)*

Under the simplified approach, the Group measured the loss based on lifetime ECL.

Under the general approach, financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

##### Stage 1: 12-month ("12m") ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

##### Stage 2: Lifetime ECL – not credit-impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) Financial assets *(Continued)*

##### (ii) Impairment *(Continued)*

##### Stage 3: Lifetime ECL – credit-impaired

Exposures are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. A loan that is overdue for 90 days or more is considered as default.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) Financial assets *(Continued)*

##### (ii) Impairment *(Continued)*

##### Stage 3: Lifetime ECL – credit-impaired *(Continued)*

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, remaining term to maturity and other relevant factors.

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive. The amount of the loss is recognised using a provision for ECL account.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for ECL reverts from lifetime ECL to 12m ECL.

##### (iii) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms.

The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/ equity-based return that substantially affects the risk profile of the loan.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) Financial assets *(Continued)*

##### (iii) Modification of loans *(Continued)*

- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a “new” asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (a) *Financial assets (Continued)*

##### (iv) *Derecognition other than on a modification*

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as “pass through” transfers that result in derecognition if the Group:

- (i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) is prohibited from selling or pledging the assets; and
- (iii) has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (b) Financial liabilities

###### Classification and subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

###### Credit losses from financial guarantees contracts

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees contracts are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

In the case of the guarantee issued by the Company in respect of a loan to its wholly owned subsidiary, the asset identified could be a form of capital contribution i.e. an addition to the cost of the investment in the subsidiary. This is on the basis that, all other things being equal, the subsidiary will earn enhanced profits as a result of the financial guarantee from having secured borrowings at a lower rate than it would have done without the guarantee, and these profits will eventually flow to the Company by way of dividends or enhanced disposal proceeds. The increased aggregate cost of investment would then be subject to the normal rules applied to investments in subsidiaries, in particular concerning the calculation of impairment losses. Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees contracts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Initial recognition and measurement (Continued)*

##### (b) *Financial liabilities (Continued)*

##### Credit losses from financial guarantees contracts (Continued)

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in liabilities arising from loan guarantee contracts in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12m ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

##### Derecognition of financial liabilities

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

##### (c) *Offsetting of financial instruments*

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Financial assets and liabilities (Continued)*

##### *Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### *Impairment of non-financial assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- interests in associates;
- intangible assets;
- goodwill; and
- investments in subsidiaries and associates in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

##### – *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

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

###### – *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

###### – *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash equivalents are assessed for ECL at the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Employee benefits and share-based payment arrangements*

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans, and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) *Share-based payments to employees*

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share-based compensation reserve within equity. The fair value is measured at grant date taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained earnings/accumulated losses).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Employee benefits and share-based payment arrangements (Continued)*

##### *(iii) Share-based payments to consultants*

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be estimated reliably, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share-based compensation reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

##### *(iv) Shares held under the share award scheme*

Own equity instruments which are reacquired (shares held under the share award scheme) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

##### *(v) Share-based payments to employees under share award scheme*

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in the "share-based compensation reserve" under equity, over the period in which the performance and/or service conditions are fulfilled in share-based compensation expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Employee benefits and share-based payment arrangements (Continued)*

##### *(v) Share-based payments to employees under share award scheme (Continued)*

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

##### *Provisions and contingent liabilities*

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Revenue recognition*

Income derived from the provision of short-term financing services and education service in the ordinary course of the Group's business is classified by the Group as revenue.

Revenue is recognised when service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax or other sales taxes, if applicable.

Further details of the Group's revenue and other income recognition policies are as follows:

##### *(i) Revenue from financing services*

Interest income is recognised in the consolidated statement of profit or loss for all financial assets using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes fees, premiums or discounts and basis points paid or received between parties to the contract, and directly attributable origination fees and costs which represent an integral part of the effective yield.

##### *(ii) Revenue from education service*

The Group provides education service for the offer of private education. Such service is separately priced and provided based on offer period. As the Group provides the education service over the offer period, the students simultaneously receive and consume the benefits provided by the Group. Accordingly, the performance obligations are satisfied over time, and the related revenue is recognised over the contract period.

Most of the contractual considerations of the Group are tuition fees that are collected in advance prior to the beginning of each term. When the Group has rendered education offer, the consideration was received from students upon signing the offers, and the Group has the obligation to provide the service subsequently; accordingly, these amounts are recognised as contract liabilities. The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arises.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Revenue recognition (Continued)*

##### *(iii) Dividends income*

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
  
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

##### *(iv) Other interest income*

Other interest income is recognised as it accrues using the effective interest method.

##### *(v) Other service income*

Income arising from the provision of other services is recognised when the relevant services are rendered.

##### *Income tax*

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Income tax (Continued)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination and does not give rise to equal taxable and deductible temporary differences), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Income tax (Continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

##### *Translation of foreign currencies*

###### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

###### *(ii) Transactions and balances*

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Translation of foreign currencies (Continued)*

##### *(ii) Transactions and balances (Continued)*

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Consolidated statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of foreign operation.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), the cumulative amount of the exchange differences in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

##### *Borrowing costs*

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

##### *Government grants*

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. Basis of Preparation of the Consolidated Financial Statements and Material Accounting Policy Information *(Continued)*

#### 3.2 *Material accounting policy information (Continued)*

##### *Related parties*

- a) A person, or a close member of that person's family, is related to the Group if that person:
- i) has control or joint control over the Group;
  - ii) has significant influence over the Group; or
  - iii) is a member of the key management personnel of the Group or the Group's parent.
- or
- b) An entity is related to the Group if any of the following conditions applies:
- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii) Both entities are joint ventures of the same third party.
  - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - vi) The entity is controlled or jointly controlled by a person identified in (a).
  - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or the Group's parent.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3.2, management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### *Key sources of estimation uncertainty*

The following are 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.

(i) *Impairment assessment of goodwill (Carrying amount – HK\$272,616,000 (2024: HK\$265,961,000))*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(ii) *Valuation of loan receivables (Carrying amount – HK\$915,078,000 (2024: HK\$998,071,000))*

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4. Key Sources of Estimation Uncertainty *(Continued)*

(ii) *Valuation of loan receivables (Carrying amount – HK\$915,078,000 (2024: HK\$998,071,000))*  
*(Continued)*

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns probabilities of default to the individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets based on risk characteristics of the customers and product types when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs over determination of the period over which the entity is exposed to credit risk based on the behavioural life of the credit exposures, loss given default and collateral recovery of the credit exposures; and
- Determination of associations between macroeconomic scenarios and, economic inputs, such as Gross Domestic Product growth, Property Price Index, Inflation Rate and Unemployment Rate, and the effect on probabilities of default, exposures at default and losses given default.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5. Revenue and Segment Reporting

#### a) Revenue

The amount of each significant category of revenue during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Revenue not within the scope of HKFRS 15</b>		
<b>Interest and financing consultancy services income from:</b>		
Pawn loans, loan receivables from micro-lending and money-lending	93,523	101,585
Other loan receivables	62	10
	<b>93,585</b>	<b>101,595</b>
<b>Interest and handling expenses from:</b>		
Borrowings and loan payables	(17,266)	(8,992)
Loan payables from the Incidents (as defined in Note 26(c))	(15,115)	(18,838)
Unsecured bonds	(451)	(186)
Lease liabilities	(415)	(552)
Other finance costs	(12)	(866)
	<b>(33,259)</b>	<b>(29,434)</b>
<b>Net interest income and service income</b>	<b>60,326</b>	<b>72,161</b>
<b>Revenue within the scope of HKFRS 15</b>		
<b>Recognised over time:</b>		
Education service income	10,208	–

For the year ended 31 December 2025, the total amount of interest income on financial assets that is not at FVTPL, including bank interest income (Note 6(a)), was HK\$96,352,000 (2024: HK\$105,608,000).

The Group applies the practical expedient that information regarding the transaction prices allocation to the performance obligation for contracts with customers for education service is not disclosed as the original expected duration of the contracts with customers is less than one year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5. Revenue and Segment Reporting *(Continued)*

#### *b) Segmental Information*

##### *(i) Operating segment information*

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focused on the business units of the Group. During the year ended 31 December 2025, the Group is engaged in education service upon obtaining control of KGH Holdings Limited (“KGH”) (as detailed in Note 38) and it is considered as a new operating and reportable segment by the CODM.

Specifically, the Group’s reportable segments under HKFRS 8 “Operating Segments” are (i) financing services and (ii) education service.

During the year ended 31 December 2024, the directors of the Company determined that the Group has only one reportable segment as the Group was principally engaged in providing financing services which was the basis to allocate resources and assess performance of the Group.

##### *Segment revenues and results*

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

	For the year ended 31 December 2025		
	Financing services HK\$’000	Education service HK\$’000	Total HK\$’000
Segment revenue (from external customers)	93,585	10,208	103,793
Segment results	64,796	(8,490)	56,306
Other income and other gains and losses			(6,167)
Unallocated general and administrative expenses			(30,172)
Impairment loss on interest in an associate			(3,179)
Share of results of associates			(2,191)
Profit before taxation			14,597

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5. Revenue and Segment Reporting *(Continued)*

#### *b) Segmental Information (Continued)*

##### *(i) Operating segment information (Continued)*

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned/(loss from) by each segment without allocation of other income and other gains and losses, certain general and administrative expenses, impairment loss on interest in associate and share of results of associates. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

##### *Other segment information*

	<b>For the year ended 31 December 2025</b>		
	<b>Financing services HK\$'000</b>	<b>Education service HK\$'000</b>	<b>Total HK\$'000</b>
Amounts included in the measured of segment results:			
Depreciation of self-owned property, plant and equipment	981	419	1,400
Depreciation of right-of-use assets	2,616	-	2,616
Impairment losses recognised/(reversed) on:			
– Loan receivables	19,356	-	19,356
– Accounts receivables	-	268	268
– Interest receivables	(767)	-	(767)
– Other receivables	2,898	-	2,898
Reversal of loan and interest payables	(86,967)	-	(86,967)
Reversal of liabilities arising from loan guarantee contracts	(1,601)	-	(1,601)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5. Revenue and Segment Reporting *(Continued)*

#### *b) Segmental Information (Continued)*

##### *(ii) Geographical information*

#### **Revenue from external customers**

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Hong Kong	<b>22,221</b>	30,609
The People's Republic of China (the "PRC")	<b>71,364</b>	70,986
United Kingdom ("UK")	<b>10,208</b>	–
	<b>103,793</b>	101,595

The geographic location of revenue from external customers is based on the location at which the services were rendered.

#### **Non-current assets**

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Hong Kong	<b>11,168</b>	20,566
The PRC	<b>313,283</b>	275,260
UK	<b>67,586</b>	29,331
	<b>392,037</b>	325,157

The above table sets out the information about the geographical location of the Group's property, plant and equipment, investment properties, goodwill, intangible assets and interests in associates based on the physical location of these assets.

##### *(iii) Information about major customers*

There was no customer who individually contributed over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6. Other Income and Other Gains and Losses

	2025 HK\$'000	2024 HK\$'000
<i>a) Other Income</i>		
Bank interest income	2,767	4,013
Income from government subsidies	1,152	19
Other consultancy services income	–	84
Dividend income from financial assets at FVTPL	104	173
Others	1,454	778
	<b>5,477</b>	5,067
<i>b) Other Gains and Losses</i>		
Loss from changes in fair value of investment properties (Note 14)	(4,931)	(343)
Gain from changes in fair value of financial assets at FVTPL, net	3,755	1,081
Loss from changes in fair value of derivative financial instruments (Note 31)	(217)	–
Loss on disposal of property, plant and equipment	(6)	(10)
Impairment losses on repossessed assets (Note 23)	(3,665)	–
Impairment losses on intangible assets (Note 17)	(250)	(539)
Recovery of loan receivables previously written off	–	2,702
Gain on early termination of lease contracts	–	72
Loss on disposal of repossessed assets (Note 23)	(3,838)	–
Gain on disposal of a subsidiary (Note 17)	2,460	–
Loss on step acquisition of subsidiaries (Note 38)	(686)	–
Exchange loss, net	(4,266)	(1,841)
	<b>(11,644)</b>	1,122
Total	<b>(6,167)</b>	6,189

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 7. Impairment Losses on Financial Instruments, Net of Reversal

	2025 HK\$'000	2024 HK\$'000
Impairment losses recognised/(reversed) on:		
Loan receivables	19,356	27,814
Accounts receivables	268	–
Interest receivables	(767)	(242)
Other receivables	2,898	16,634
	<b>21,755</b>	44,206

### 8. Profit Before Taxation

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

	2025 HK\$'000	2024 HK\$'000
<b>(a) Staff costs (including directors' emoluments):</b>		
Salaries, allowances and other benefits	40,976	45,010
Contributions to defined contribution retirement plans	6,202	4,414
	<b>47,178</b>	49,424
<b>(b) Other items:</b>		
Auditor's remuneration		
– audit service	2,300	2,300
– non-audit service	465	545
	<b>2,765</b>	2,845
Depreciation of property, plant and equipment (Note 13)		
– self-owned assets	1,816	1,533
– right-of-use assets	4,523	4,696
	<b>6,339</b>	6,229

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 9. Income Tax

a) *Taxation in the consolidated statement of profit or loss represents:*

	2025 HK\$'000	2024 HK\$'000
<b>Current tax – Hong Kong Profits Tax</b>		
Over-provision in respect of prior years	(659)	–
<b>Current tax – PRC Enterprise Income Tax</b>		
Provision for the year	3,716	6,507
Under/(over)-provision in respect of prior years	66	(1,303)
Over-provision in respect of the Incidents (Note 20)	(57,762)	–
<b>Withholding tax on dividends</b>		
Provision for the year	770	1,500
<b>Deferred tax</b>		
Origination and reversal of temporary differences (Note 29)	(2,704)	2,739
	<b>(56,573)</b>	<b>9,443</b>

- (i) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operates.
- (ii) Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits of the relevant group entities. The assessable profits for both years were absorbed by the tax losses brought forward from prior years.
- (iii) Pursuant to the rules and regulations of the British Virgin Islands (“BVI”) and Cayman Islands, the Group is not subject to any income tax in the respective jurisdictions.
- (iv) The provision for the PRC Enterprise Income Tax of the subsidiaries established in the PRC is calculated at 25% of the estimated taxable profits for both years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 9. Income Tax *(Continued)*

#### *a) Taxation in the consolidated statement of profit or loss represents: (Continued)*

- (v) Pursuant to the PRC Enterprise Income Tax Law and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In addition, under the Sino-Hong Kong Double Tax Arrangement, a qualified Hong Kong tax resident will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interests of the PRC enterprise.

Deferred tax liabilities have been provided for in this regard based on the expected dividends to be distributed from the Group’s PRC subsidiaries in the foreseeable future in respect of profits generated since 1 January 2008 (Note 29).

- (vi) Pursuant to the relevant laws and regulation in the UK, a subsidiary of the Company in the UK is subject to UK corporate income tax (“CIT”) at 25%. No provision for UK CIT has been made for the year ended 31 December 2025 as the relevant group entity did not have assessable income subject to UK CIT for the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 9. Income Tax (Continued)

b) *Reconciliation between tax (credit)/expense (credited)/charged to profit or loss and accounting profit at the applicable tax rates:*

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	<b>14,597</b>	51,740
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	<b>8,626</b>	20,078
Tax effect of non-taxable income	<b>(24,264)</b>	(43,742)
Tax effect of non-deductible expenses	<b>15,149</b>	25,058
Tax effect of temporary differences not recognised	<b>47</b>	(95)
Tax effect of tax losses not recognised	<b>7,543</b>	11,004
Tax effect of utilisation of unused tax losses previously not recognised	<b>(5,668)</b>	(1,607)
Over-provision of income tax in prior years	<b>(58,355)</b>	(1,303)
Tax effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	<b>349</b>	50
Income tax (credit)/expense	<b>(56,573)</b>	9,443

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 10. Directors' and Chief Executive's Emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and the chief executive's emoluments are as follows:

(a) *Year ended 31 December 2025*

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
<b>Executive director</b>				
Mr. Zhang Min	360	-	-	360
<b>Independent non-executive directors</b>				
Mr. Chan Chun Keung	120	-	-	120
Mr. Cheung Pak To (note i)	181	-	-	181
Mr. John Paul Ribeiro (note ii)	25	-	-	25
Mr. Lee Ka Wai	120	-	-	120
Madam Zhan Lili	120	-	-	120
Mr. Zhang Kun	120	-	-	120
	<b>1,046</b>	<b>-</b>	<b>-</b>	<b>1,046</b>

Notes:

- (i) Mr. Cheung Pak To was appointed as an independent non-executive director of the Company with effect from 30 June 2025.
- (ii) Mr. John Paul Ribeiro has resigned as an independent non-executive director of the Company with effect from 17 March 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 10. Directors' and Chief Executive's Emoluments (Continued)

(b) Year ended 31 December 2024

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
<b>Executive director</b>				
Mr. Zhang Min	360	–	–	360
<b>Non-executive director</b>				
Mr. Tao Chun (note)	100	–	–	100
<b>Independent non-executive directors</b>				
Mr. Lee Ka Wai	120	–	–	120
Mr. Chan Chun Keung	120	–	–	120
Madam Zhan Lili	120	–	–	120
Mr. Zhang Kun	120	–	–	120
Mr. John Paul Ribeiro	120	–	–	120
	1,060	–	–	1,060

Note: Mr. Tao Chun has resigned as a non-executive director with effect from 30 October 2024.

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office and there was no arrangement under which a director has waived or agreed to waive any emoluments during both years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 11. Individuals with Highest Emoluments

The five highest paid employees did not include any directors for both years, details of the remuneration for their services as directors are set out in Note 10. Details of the remuneration of the non-director highest paid employees are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and other benefits	5,574	9,619
Retirement scheme contributions	284	279
	<b>5,858</b>	9,898

The emoluments of the five (2024: five) individuals with the highest emoluments are within the following bands for the year:

	Number of individuals	
	2025	2024
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	4	2
HK\$2,000,001 to HK\$3,000,000	–	2

No emoluments were paid to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

### 12. Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$71,452,000 (2024: HK\$41,232,000) and the weighted average number of ordinary shares in issue of less shares held under the Company's share award scheme during the year of 203,529,367 (2024: 202,601,810).

The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both years. Accordingly, the diluted earnings per share is the same as the basic earnings per share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 13. Property, Plant and Equipment

#### (a) Reconciliation of carrying amount

	Freehold land HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Furniture and equipment HK\$'000	Properties leased for own use HK\$'000	Total HK\$'000
<b>Cost</b>							
At 1 January 2024	-	-	15,637	7,289	11,563	23,977	58,466
Additions	-	-	279	766	157	2,039	3,241
Disposals	-	-	-	(615)	(2,070)	-	(2,685)
Lease modification	-	-	-	-	-	2,930	2,930
Early termination of lease contracts	-	-	-	-	-	(2,680)	(2,680)
Expiration of lease contract	-	-	-	-	-	(540)	(540)
Exchange adjustment	-	-	(266)	(49)	(142)	(184)	(641)
At 31 December 2024 and 1 January 2025	-	-	15,650	7,391	9,508	25,542	58,091
Additions through acquisition of subsidiaries	27,863	29,489	-	38	1,398	-	58,788
Repossession of properties held by debtors of loan receivables for own use	-	1,824	-	-	-	-	1,824
Additions	-	108	-	712	519	-	1,339
Disposals	-	-	-	-	(82)	-	(82)
Lease modification	-	-	-	-	-	1,233	1,233
Exchange adjustment	84	117	309	61	227	229	1,027
<b>At 31 December 2025</b>	<b>27,947</b>	<b>31,538</b>	<b>15,959</b>	<b>8,202</b>	<b>11,570</b>	<b>27,004</b>	<b>122,220</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2024	-	-	14,849	6,559	8,595	16,074	46,077
Charge for the year	-	-	531	216	786	4,696	6,229
Written back on disposals	-	-	-	(615)	(1,965)	-	(2,580)
Early termination of lease contracts	-	-	-	-	-	(1,934)	(1,934)
Expiration of lease contract	-	-	-	-	-	(540)	(540)
Exchange adjustment	-	-	(252)	(45)	(94)	(119)	(510)
At 31 December 2024 and 1 January 2025	-	-	15,128	6,115	7,322	18,177	46,742
Charge for the year	-	378	197	410	831	4,523	6,339
Written back on disposals	-	-	-	-	(74)	-	(74)
Exchange adjustment	-	5	300	54	33	163	555
<b>At 31 December 2025</b>	<b>-</b>	<b>383</b>	<b>15,625</b>	<b>6,579</b>	<b>8,112</b>	<b>22,863</b>	<b>53,562</b>
<b>Carrying amounts</b>							
<b>At 31 December 2025</b>	<b>27,947</b>	<b>31,155</b>	<b>334</b>	<b>1,623</b>	<b>3,458</b>	<b>4,141</b>	<b>68,658</b>
At 31 December 2024	-	-	522	1,276	2,186	7,365	11,349

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 13. Property, Plant and Equipment *(Continued)*

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

The analysis of the net book value of right-of-use assets by class of underlying assets is as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Properties leased for own use	<b>4,141</b>	7,365

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	<b>4,523</b>	4,696
Interest expenses on lease liabilities (Note 5(a))	<b>415</b>	552
Expense relating to short-term leases	<b>220</b>	680

Notes:

- (i) Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 25(b) and 32, respectively.
- (ii) The Group has obtained the right to use other properties as its office premises and director's quarter through tenancy agreements. The leases typically run for an initial period of 2 to 4 years (2024: 2 to 4 years). None of the leases includes variable lease payments.
- (iii) During the year ended 31 December 2025, the Group did not enter into any new lease agreement. During the year ended 31 December 2024, the Group entered into new office lease and right-of-use assets and lease liabilities of HK\$2,039,000 and HK\$2,039,000 were recognised at the commencement of the leases respectively. Furthermore, the Group recognised right-of-use assets and lease liabilities of HK\$1,233,000 (2024: HK\$2,930,000) and HK\$1,233,000 (2024: HK\$2,930,000), respectively, in relation to lease modifications during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 14. Investment properties

	2025 HK\$'000	2024 HK\$'000
<b>Fair value</b>		
At 1 January	1,348	1,723
Additions (note)	36,271	–
Loss from changes in fair value recognised in profit or loss	(4,931)	(343)
Exchange adjustment	540	(32)
At 31 December	33,228	1,348

Note:

During the year, the Group obtained formal legal title to certain properties in the PRC with an aggregate fair value of approximately HK\$35,078,000 through the repossession of collateral in settlement of certain loan and interest receivables. These properties are currently held for an undetermined future use. The Group's strategy is to hold these assets until a favourable market opportunity arises to recover the value of the original debt through disposal.

The fair value of the Group's investment properties as at 31 December 2025 has been arrived at on the basis of a valuation carried out by Shenzhen Guoce Real Estate Land Assets Appraisal Co., Ltd and Beijing Guoce Real Estate Land Assets Appraisal Co., Ltd (2024: Peak Vision Appraisals Limited), an independent qualified professional valuer.

In determining the fair value of the relevant properties, the management of the Group had on-going discussions with the valuer to determine the appropriate valuation techniques and inputs for fair value measurements and based on the highest and best use of the properties being their current use.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 14. Investment properties *(Continued)*

The key input used in valuing the investment properties as at 31 December 2025 is as follows:

Description	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Commercial properties in Beijing, PRC 2025: HK\$19,248,000	Income capitalisation approach	Capitalisation rate: 7%	The higher the capitalisation rate, the lower the fair value, and vice versa.
		Market rent per month: RMB70/m <sup>2</sup>	The higher the market rent, the higher the fair value, and vice versa.
(2024: Nil)	(2024: N/A)	(2024: N/A)	(2024: N/A)
Residential properties in Beijing and Shenzhen, PRC 2025: HK\$12,114,000	Direct comparison approach	Discount on quality of the properties: 5%-22%	An increase in the discount on quality of the properties would result in a decrease in fair value, and vice versa.
(2024: Nil)	(2024: N/A)	(2024: N/A)	(2024: N/A)
Commercial properties in Shenzhen, PRC 2025: HK\$1,866,000	Weighted average of direct comparison and income capitalisation approach	Adjustment on quality of the properties: from premium of 5% to discount of 8%	An increase in the premium on quality of the properties would result in an increase in fair value, and vice versa.
		Capitalisation rate: 3%-6%	The higher the capitalisation rate, the lower the fair value, and vice versa.
		Market rent per month: RMB50/m <sup>2</sup> -RMB80/m <sup>2</sup>	The higher the market rent, the higher the fair value, and vice versa.
(2024: HK\$1,348,000)	(2024: Income capitalisation approach)	(2024: Term yield: 3%-8% Revisionary yield: 6%-8% Revisionary monthly rent: RMB43/m <sup>2</sup> -RMB104/m <sup>2</sup> )	(2024: The higher the term yield, the lower the fair value, and vice versa. The higher the revisionary yield, the lower the fair value, and vice versa. The higher the revisionary monthly rent, the higher the fair value, and vice versa.)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 15. Investments in Subsidiaries

The following list contains only the particulars of the major subsidiaries with active operations of the Group for the year. In the opinion of the director, to give details of other subsidiaries would result in particulars of excessive length.

Name	Place of incorporation/ registration and operations	Particulars of issued and paid-up capital/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			2025	2024	
<b>Directly owned</b>					
K.P.B. Group Holdings Limited	BVI/Hong Kong	Ordinary US\$12	100%	100%	Investment holding
Noble Lion Education Company Limited	Hong Kong	1 ordinary share	100%	100%	Provision of education service
北京華夏新業諮詢服務有限公司 (note a)	The PRC	Registered capital RMB5,000,000	100%	100%	Provision of investment consultancy services and financing consultancy services
北京中金城開小額貸款有限公司 (note a)	The PRC	Registered capital RMB320,000,000	100%	100%	Micro-lending
深圳市領達小額貸款有限公司 (note a)	The PRC	Registered capital RMB300,000,000	100%	100%	Micro-lending
重慶兩江新區領達商務信息諮詢有限公司 (note a)	The PRC	Registered capital US\$1,400,000	100%	100%	Provision of information consultancy services
<b>Indirectly owned</b>					
Brick Lane Education Company Limited	Hong Kong	10 ordinary shares	60%	60%	Provision of education service
Charter Merit Limited (Note 17)	Hong Kong	2 ordinary shares	–	100%	Holding of a club membership
Charter Paradise Limited	Hong Kong	2 ordinary shares	100%	100%	Holding of a club membership
K.P.I. Development Limited	Hong Kong	2 ordinary shares and 10,000 non-voting deferred shares	100%	100%	Securities trading
K.P.I. Industries Limited	Hong Kong	2 ordinary shares and 2 non-voting deferred shares	100%	100%	Holding of club memberships
QL Credit Gain Finance Company Limited	Hong Kong	1,000,000 ordinary shares	100%	100%	Money lending
KP Credit Gain Finance Company Limited	Hong Kong	1,000,000 ordinary shares	100%	100%	Money lending

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 15. Investments in Subsidiaries (Continued)

Name	Place of incorporation/ registration and operations	Particulars of issued and paid-up capital/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			2025	2024	
Oyster Pie Solutions Limited	Hong Kong	100 ordinary shares	100%	100%	Money lending
北京中港佳鄰商業有限公司 (note a)	The PRC	Registered capital US\$13,000,000	100%	100%	Provision of financing consultancy services
北京中金投財務諮詢有限公司 (note a)	The PRC	Registered capital US\$300,000	100%	100%	Provision of financing consultancy services
北京中金港資產管理有限公司 (note b)	The PRC	Registered capital RMB200,000,000	100%	100%	Provision of financing consultancy services
北京中金投典當行有限公司 (note b)	The PRC	Registered capital RMB200,000,000	100%	100%	Money lending
北京惠豐融金小額貸款有限公司 (note b)	The PRC	Registered capital RMB50,000,000	70%	70%	Micro-lending
北京融信嘉資產管理有限公司 (note b)	The PRC	Registered capital RMB100,000,000	100%	100%	Provision of financing consultancy services
北京朗明格諮詢有限公司 (note b)	The PRC	Registered capital RMB27,500,000	100%	100%	Provision of financing consultancy services
中金恒豐(北京)科技服務有限公司 (note b)	The PRC	Registered capital RMB10,000,000	100%	100%	Provision of financing consultancy services
成都市武侯惠信小額貸款有限責任 公司 (note c)	The PRC	Registered capital RMB300,000,000	90%	90%	Micro-lending
KGH (note d)	Republic of Seychelles	100 ordinary shares	75%	40%	Investment holding
Thetford Grammar School Limited ("Thetford Grammar School") (note d)	UK	100 ordinary shares	75%	40%	Provision of education service

Notes:

- The entity is a wholly-foreign-owned enterprise established in the PRC.
- The entity is a limited liability company established in the PRC.
- The entity is a Sino-foreign enterprise established in the PRC.
- KGH held 100% equity interest in Thetford Grammar School. KGH and Thetford Grammar School are collectively referred to as "KGH Group" (See Note 18 and Note 38).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 15. Investments in Subsidiaries (Continued)

The following table lists out the information relating to the subsidiaries of the Group which has material non-controlling interest (“NCI”). The summarised financial information presented below represents the amounts before any inter-company elimination.

	北京惠豐融金小額 貸款有限公司		成都市武侯惠信小額 貸款有限責任公司		KGH Group
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000
NCI percentage	<b>30%</b>	30%	<b>10%</b>	10%	<b>25%</b>
Current assets	<b>126,534</b>	132,233	<b>357,320</b>	337,089	<b>5,284</b>
Non-current assets	<b>12,787</b>	1,041	<b>34,121</b>	45,956	<b>58,550</b>
Current liabilities	<b>(2,429)</b>	(9)	<b>(16,186)</b>	(16,922)	<b>(29,416)</b>
Non-current liabilities	<b>-</b>	-	<b>(284)</b>	(532)	<b>(5,280)</b>
Net assets	<b>136,892</b>	133,265	<b>374,971</b>	365,591	<b>29,138</b>
Carrying amount of NCI	<b>41,068</b>	39,980	<b>37,497</b>	36,559	<b>7,284</b>
Revenue	<b>3,263</b>	2,100	<b>27,822</b>	29,568	<b>10,208</b>
Profit/(loss) for the year/period	<b>256</b>	(1,200)	<b>17,608</b>	14,270	<b>(8,390)</b>
Total comprehensive income/(expense)	<b>3,627</b>	(4,124)	<b>26,834</b>	6,216	<b>(8,478)</b>
Profit/(loss) allocated to NCI	<b>77</b>	(360)	<b>1,761</b>	1,427	<b>(2,098)</b>
Dividend paid to NCI	<b>-</b>	-	<b>1,745</b>	2,191	<b>-</b>
Cash flows (used in)/from					
operating activities	<b>(17,011)</b>	(22,871)	<b>20,864</b>	3,896	<b>(6,075)</b>
Cash flows (used in)/from investing activities	<b>(266)</b>	90	<b>2,244</b>	2,440	<b>6,556</b>
Cash flows used in financing activities	<b>-</b>	-	<b>(18,014)</b>	(22,464)	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 16. Goodwill

	HK\$'000
<b>Carrying amount</b>	
At 1 January 2024	300,073
Impairment loss on goodwill	(28,149)
Exchange adjustment	(5,963)
At 31 December 2024 and 1 January 2025	265,961
Exchange adjustment	6,655
At 31 December 2025	272,616

Goodwill has been allocated for impairment testing purpose to the following CGUs.

- Financing business in Beijing, the PRC (“Division A”)
- Financing business in Shenzhen, the PRC (“Division B”)
- Financing business in Hong Kong (“Division C”)

The carrying amounts of goodwill as at 31 December 2025 and 31 December 2024 allocated to these CGUs are as below:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Division A	<b>269,793</b>	263,144
Division B	<b>241</b>	235
Division C	<b>2,582</b>	2,582
	<b>272,616</b>	265,961

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 16. Goodwill (Continued)

#### Division A

The recoverable amount of the Division A is determined based on the value in use calculations from a business valuation report on the Division A prepared by an independent qualified professional valuer, Peak Vision Appraisals Limited (2024: Peak Vision Appraisals Limited). These calculations use cash flow projections based on financial budgets approved by management covering a five-year period (2024: five-year period). Cash flows beyond the five-year period (2024: five-year period) are extrapolated using an estimated growth rate stated below which is by reference to the forecasts based on the funds available for the Group's loan financing business and does not exceed the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the Division A operates. The cash flows are discounted using the discount rate stated below. The discount rates used are pre-tax and reflect specific risks relating to Division A.

Key assumptions used for the value-in-use calculations are as follows:

	2025	2024
Growth rate	2%	2.0%
Gross margin	74.36%	65.43%
Discount rate	13.13%	13.01%

Management determined the budgeted gross margin based on past performance and its expectation for market development.

During the year ended 31 December 2025, since the recoverable amount of Division A was larger than its carrying amount, the directors of the Company considered that no impairment of goodwill allocated to Division A was recognised.

The recoverable amount is significantly above the carrying amount of Division A. Management believes that any reasonably possible change in any assumptions would not result in impairment.

During the year ended 31 December 2024, the trend for interest rate for loan receivables was estimated to be downward under the prevailing economic environment, resulting in the lower estimated future revenue than previously expected. Accordingly, the estimated recoverable amount of Division A was lower than its carrying amount, hence an impairment loss of HK\$28,149,000 was recognised on the goodwill allocated to Division A for the year ended 31 December 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 16. Goodwill (Continued)

#### Division B and Division C

For the year ended 31 December 2025, since the recoverable amounts of Division B and Division C were larger than the carrying amounts, the directors of the Company considered that no impairment of goodwill was recognised (2024: Nil).

### 17. Intangible Assets

	<b>Club memberships</b>
	HK\$'000
At 1 January 2024	12,878
Impairment	(539)
At 31 December 2024 and 1 January 2025	12,339
Impairment	(250)
Disposals (Note)	(7,000)
At 31 December 2025	5,089

Note:

During the year ended 31 December 2025, the Group entered into a sale and purchase agreement with an independent third party, pursuant to which the Group agreed to sell 100% of equity interest in its wholly-owned subsidiary, Charter Merit Limited, for a consideration, net of direct disposal costs, of HK\$9,460,000. At the date of disposal, Charter Merit Limited held only an intangible asset with carrying amount of HK\$7,000,000. Accordingly, the Group's intangible assets of HK\$7,000,000 was derecognised. A gain on disposal of a subsidiary of HK\$2,460,000 was recognised in profit or loss for the year ended 31 December 2025.

The club memberships have been considered to have indefinite lives because they are expected to contribute to the net cash flows of the Group indefinitely, and are not amortised.

For the year ended 31 December 2025, the directors of the Company considered that the recoverable amounts of the club memberships was lower than their carrying amounts, an impairment of HK\$250,000 (2024: HK\$539,000) was recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. Interests in Associates

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Carrying amount in the consolidated statement of financial position	<b>12,446</b>	34,160

The following list contains the particulars of associates, which are unlisted corporate entities whose quoted market price are not available.

Name of associate	Place of incorporation/ registration and operations	Particulars of issued and paid-up capital/ registered share capital	Proportion of ownership interest and voting rights held by the Group		Principal activity
			2025	2024	
北京中匯豐源融資租賃有限公司 ("中匯豐源") (note (i))	The PRC	Registered capital USD10,000,000	<b>25%</b>	25%	Not yet commenced operation
KGH (note (ii))	Republic of Seychelles	100 ordinary shares	<b>75%</b>	40%	Investment holding
Thetford Grammar School (note (iii))	UK	5,760,480 ordinary shares	<b>75%</b>	40%	Provision of education services
北京達隆恆業管理諮詢有限公司 ("達隆恆業") (note (iii))	The PRC	Registered capital RMB10,000,000	-	20%	Provision of consultancy services
Access Global Education Enterprise Limited ("Access Global") (note (iv))	Hong Kong	1,000 ordinary shares	<b>34%</b>	34%	Provision of education services
Access (UK) Education Limited ("Access UK") (note (iv))	UK	100 ordinary shares	<b>34%</b>	34%	Provision of education services

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. Interests in Associates (Continued)

Notes:

- (i) 中匯豐源 is established in the PRC in the form of sino-foreign equity enterprise.

As at 31 December 2025, the Company has an obligation to contribute an amount of US\$2,000,000 (equivalent to approximately HK\$15,600,000) (2024: US\$2,000,000 (equivalent to approximately HK\$15,600,000)), representing 25% equity interest to 中匯豐源.

- (ii) On 31 July 2025, the Group obtained control over KGH Group. As a result, KGH Group is accounted for as the subsidiaries of the Group. For details, please refer to note 38.

- (iii) On 26 June 2025, 達隆恆業 was dissolved, The proceeds from dissolution amounted to HK\$1,562,000. At date of dissolution, the carrying amount of the associate amounted to HK\$1,562,000, therefore, no gain or loss on dissolution of associate was recognised during the year ended 31 December 2025.

- (iv) Access Global held 100% equity interest in Access UK. Access Global and Access UK are collectively referred to as the "Access Global Group".

All of the above associates are accounted for using the equity method in the consolidated financial statements.

#### a) Summarised financial information of 中匯豐源

Financial information about the Group's interest in 中匯豐源, that is not material, is disclosed below:

	中匯豐源	
	2025	2024
	HK\$'000	HK\$'000
Loss for the year	—*	(14)
Other comprehensive expense for the year	(333)	(291)
Total comprehensive expense for the year	(333)	(305)
Carrying amount in the consolidated financial statements	3,410	3,327

\* Amount is less than HK\$1,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. Interests in Associates *(Continued)*

#### *b) Summarised financial information of KGH Group*

Summarised financial information of KGH Group as at 31 December 2024, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	KGH Group 2024 HK\$'000
Non-current assets	35,334
Current assets	11,820
Non-current liabilities	(365)
Current liabilities	(22,193)
<b>Equity</b>	<b>24,596</b>
Revenue	33,982
Loss for the year	(7,102)
Other comprehensive expense for the year	(1,325)
<b>Total comprehensive expense for the year</b>	<b>(8,427)</b>

*Reconciliation of the above summarised financial information of KGH Group to the carrying amount of the interest in associate recognised in the consolidated financial statements:*

	KGH Group 2024 HK\$'000
Net assets of the associate	24,596
Group's effective interest	40%
Group's share of net assets of the associate	9,838
Goodwill (note)	7,054
<b>Carrying amount in the consolidated financial statements</b>	<b>16,892</b>

Note: The recoverable amount of the KGH Group is determined based on the value in use calculations, from a business valuation report on the KGH Group prepared by an independent qualified professional valuer, Peak Vision Appraisals Limited.

Based on the valuation, no impairment loss on interests in associates relating to KGH Group was recognised during the year ended 31 December 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. Interests in Associates (Continued)

#### c) Summarised financial information of 達隆恆業

Summarised financial information of 達隆恆業 as at 31 December 2024, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	達隆恆業 2024 HK\$'000
Current assets	7,509
Current liabilities	–
Equity	7,509
Revenue	1,037
Profit for the year	53,974
Other comprehensive income for the year	225
Total comprehensive income for the year	54,199

*Reconciliation of the above summarised financial information of 達隆恆業 to the carrying amount of the interest in associate recognised in the consolidated financial statements:*

	達隆恆業 2024 HK\$'000
Net assets of the associate	7,509
Group's effective interest	20%
Group's share of net assets of the associate	1,502
Carrying amount in the consolidated financial statements	1,502

For the year ended 31 December 2024, the Group's share of profit of the associate amounted to HK\$926,000, after deducting the cumulative unrecognised share of losses of the associate of HK\$9,869,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. Interests in Associates *(Continued)*

#### d) *Summarised financial information of Access Global Group*

Summarised financial information of Access Global Group, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	<b>Access Global Group</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Non-current assets	<b>6</b>	5
Current assets	<b>6,170</b>	6,128
Current liabilities	<b>(5,768)</b>	(5,066)
Equity	<b>408</b>	1,067
Revenue	<b>5,742</b>	9,226
Profit for the year	<b>728</b>	841
Other comprehensive expense for the year	<b>(69)</b>	(34)
Total comprehensive income for the year	<b>659</b>	807

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. Interests in Associates (Continued)

#### d) Summarised financial information of Access Global Group (Continued)

Reconciliation of the above summarised financial information of Access Global Group to the carrying amount of the interest in associate recognised in the consolidated financial statements:

	Access Global Group	
	2025 HK\$'000	2024 HK\$'000
Net assets of the associate	408	1,067
Group's effective interest	34%	34%
Group's share of net assets of the associate	139	363
Goodwill (note)	8,897	12,076
Carrying amount in the consolidated financial statements	9,036	12,439

Note: The recoverable amount of the Access Global Group was determined based on the value in use calculations. These calculations were derived from discounting the projected cash flow forecasts using a discount rate of 14.1% (2024: 14.2%) as set out in a business valuation report on the Access Global Group prepared by Peak Vision Appraisals Limited (2024: Peak Vision Appraisals Limited), an independent qualified professional valuer. The key assumptions applied in the value-in-use calculations related to the estimation of future cash inflows, include the projected revenue, and discount rate.

During the year ended 31 December 2025, the revenue earned from education consultancy service was decreased, resulting in the lower estimated future revenue than previously expected. Accordingly, the recoverable amount of the Access Global Group was lower than its carrying amount, an impairment losses of HK\$3,179,000 was recognised during the year ended 31 December 2025 (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 19. Other Financial Assets

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Financial assets mandatory measured at FVTPL		
– Equity securities listed in Hong Kong	–	5,287
Current assets		
Financial assets mandatory measured FVTPL		
– Equity securities listed in Hong Kong	2,578	–
– Unlisted debt instruments in the PRC (note)	–	16,198
<b>Total</b>	<b>2,578</b>	21,485

Note: As at 31 December 2024, the amount represented investment in principal guaranteed wealth management products issued by the banks in the PRC with expected return ranging from 1.30% to 1.95% per annum and maturity of less than one year.

### 20. Loan Receivables

	2025 HK\$'000	2024 HK\$'000
Pawn loan receivables	207,163	207,917
Loan receivables arising from:		
– Micro-lending	643,858	626,076
– Money-lending	139,099	149,455
Loan receivables from the Incidents	779,324	948,822
Other loan receivables	124,449	208,605
	<b>1,893,893</b>	2,140,875
Less: Impairment	<b>(978,815)</b>	(1,142,804)
	<b>915,078</b>	998,071
Amounts due within one year	826,073	886,683
Amounts due after one year	89,005	111,388
	<b>915,078</b>	998,071

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 20. Loan Receivables *(Continued)*

The loan receivables in the PRC carry interest plus service charge at a range of monthly effective rates of 0.68% to 2.50% (2024: 0.68% to 3.00%), and the loan receivables in Hong Kong carry interest at a range of monthly effective rates of 0.35% to 3.82% (2024: 0.35% to 4.20%).

A typical loan generally has a term of 90 days to 30 years (2024: 90 days to 30 years).

As at 31 December 2025, included in the Group's loan receivables balance are debtors with aggregate carrying amount (net of ECL) of HK\$404,218,000 (2024: HK\$558,567,000) which are past due. Out of the past due balances, HK\$389,900,000 (2024: HK\$514,468,000) has been past due 90 days or more. The directors of the Company consider credit risks have increased significantly for those past due more than 30 days and those past due more than 90 days are considered as credit-impaired.

Total loan receivables of RMB80,371,000 (equivalent to approximately HK\$88,983,000) (2024: RMB129,547,000 (equivalent to approximately HK\$139,893,000)) are due from Zhongjin Jiasheng Investment Fund Management (Beijing) Co. Ltd.\* (中金佳晟投資基金管理(北京)有限公司) ("Zhongjin Jiasheng"), who also acts as an agent to assist the Group to negotiate for one-off settlement arrangements directly with the investors/lenders related to the Incidents. Service fee of HK\$17,934,000 (2024: HK\$24,906,000) was charged by Zhongjin Jiasheng which was set off against part of the above loan receivables during the year. No outstanding payable balance with Zhongjin Jiasheng is noted as at 31 December 2025 (2024: Nil).

During the year ended 31 December 2025, following the final judgement of the PRC court regarding the recovery of certain loan receivables from the Incidents, the management concluded that the likelihood of recovery was minimal. Accordingly, the relevant portion of the loan receivables from the Incidents and the corresponding impairment loss, amounted to HK\$193,471,000 and HK\$193,471,000 respectively, was written off. Taking into account the advice of an independent legal advisor, interest income accrued on those receivables is not subject to income tax. Consequently, the previously recognised tax payable of HK\$57,762,000 was reversed during the year.

\* *The English translation of Zhongjin Jiasheng's name is for reference only. The official name of Zhongjin Jiasheng is in Chinese.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 20. Loan Receivables (Continued)

#### a) Maturity profile

As at the end of the reporting period, the maturity profile of loan receivables, based on maturity date, is as follows:

##### (i) As at 31 December 2025

	Pawn loan receivables HK\$'000	Loan receivables arising from micro-lending HK\$'000	Loan receivables arising from money-lending HK\$'000	Loan receivables from the Incidents HK\$'000	Other loan receivables HK\$'000	Total HK\$'000
Due within 1 month or on demand	166,199	378,514	11,226	779,324	124,449	1,459,712
Due after 1 month but within 3 months	9,964	35,754	2,528	-	-	48,246
Due after 3 months but within 6 months	9,134	89,506	38,648	-	-	137,288
Due after 6 months but within 12 months	21,866	105,639	31,001	-	-	158,506
Due after 12 months	-	34,445	55,696	-	-	90,141
Impairment	(71,724)	(98,642)	(3,540)	(779,324)	(25,585)	(978,815)
	135,439	545,216	135,559	-	98,864	915,078

##### (ii) As at 31 December 2024

	Pawn loan receivables HK\$'000	Loan receivables arising from micro-lending HK\$'000	Loan receivables arising from money-lending HK\$'000	Loan receivables from the Incidents HK\$'000	Other loan receivables HK\$'000	Total HK\$'000
Due within 1 month or on demand	173,847	384,494	18,012	948,822	208,605	1,733,780
Due after 1 month but within 3 months	9,881	37,789	19,240	-	-	66,910
Due after 3 months but within 6 months	4,211	55,202	19,746	-	-	79,159
Due after 6 months but within 12 months	19,978	103,823	22,393	-	-	146,194
Due after 12 months	-	44,768	70,064	-	-	114,832
Impairment	(65,428)	(88,348)	(5,380)	(948,822)	(34,826)	(1,142,804)
	142,489	537,728	144,075	-	173,779	998,071

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 20. Loan Receivables (Continued)

#### b) Reconciliation of changes in allowance for ECL of loan receivables

	Not credit – impaired		Credit – impaired	Total
	Stage 1	Stage 2	Stage 3	
	Allowance for ECL HK\$'000	Allowance for ECL HK\$'000	Allowance for ECL HK\$'000	
At 1 January 2025	1,029	2,924	1,138,851	1,142,804
Transfer of stages:				
– transfers to Stage 2	(6)	6	–	–
– transfers to Stage 3	(73)	(51)	124	–
Net changes of ECL from loan receivables due from existing debtors	(786)	(2,807)	20,908	17,315
Recognition of ECL on new loan receivables originated	1,042	776	223	2,041
Write off	–	–	(212,072)	(212,072)
Exchange adjustment	2	5	28,720	28,727
<b>At 31 December 2025</b>	<b>1,208</b>	<b>853</b>	<b>976,754</b>	<b>978,815</b>

	Not credit – impaired		Credit – impaired	Total
	Stage 1	Stage 2	Stage 3	
	Allowance for ECL HK\$'000	Allowance for ECL HK\$'000	Allowance for ECL HK\$'000	
At 1 January 2024	1,336	2,765	1,167,164	1,171,265
Transfer of stages:				
– transfers to Stage 2	(31)	31	–	–
– transfers to Stage 3	(22)	(214)	236	–
Net changes of ECL from loan receivables due from existing debtors	(1,008)	(81)	27,232	26,143
Recognition of ECL on new loan receivables originated	756	431	484	1,671
Write off	–	–	(31,491)	(31,491)
Exchange adjustment	(2)	(8)	(24,774)	(24,784)
<b>At 31 December 2024</b>	<b>1,029</b>	<b>2,924</b>	<b>1,138,851</b>	<b>1,142,804</b>

Details of the Group's credit policy and definitions of Stage 1, Stage 2 and Stage 3 are set out in Note 41(a).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 21. Interest Receivables

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Interest receivables	<b>2,230</b>	5,570

All of the interest receivables are expected to be recovered within one year.

#### *Ageing analysis*

As at the end of the reporting period, the ageing analysis of interest receivables, based on the revenue recognition date, is as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Within 1 month	<b>1,295</b>	2,368
1 to 3 months	<b>59</b>	578
3 to 6 months	<b>183</b>	288
Over 6 months	<b>693</b>	2,336
	<b>2,230</b>	5,570

Interest receivables are due on the date of billing (or on maturity date corresponding of loan receivables according to the relevant loan agreements).

As at 31 December 2025, included in the Group's interest receivables balance are debtors with aggregate carrying amount (net of ECL) of HK\$994,000 (2024: HK\$3,826,000) which are past due. Out of the past due balances, HK\$885,000 (2024: HK\$2,693,000) has been past due 90 days or more. The directors of the Company consider credit risks have increased significantly for those past due more than 30 days and those past due more than 90 days are considered as credit-impaired.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 22. Accounts Receivables

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Accounts receivables	<b>554</b>	–

All of the Group's accounts receivables are expected to be recovered within one year.

#### *Ageing analysis*

As at the end of the reporting period, the ageing analysis of accounts receivables, based on the revenue recognition date, is as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Within 1 month	<b>83</b>	–
1 to 3 months	<b>278</b>	–
3 to 6 months	<b>6</b>	–
Over 6 months	<b>187</b>	–
	<b>554</b>	–

Accounts receivables arise from education service business and are due upon billing.

As at 31 December 2025, included in the Group's accounts receivables balance are debtors with aggregate carrying amount of HK\$549,000 (2024: Nil) which are past due. Out of the past due balances, HK\$193,000 (2024: Nil) has been past due 90 days or more and is not considered as default as the Directors are of the opinion that the balances are still considered fully recoverable due to on-going relationship and good repayment record from these debtors. The Group does not hold collateral over these balances.

As at 31 December 2025, allowance for lifetime ECL of HK\$759,000 (2024: Nil) is recognised for accounts receivables with aggregate gross carrying amount of HK\$1,313,000 (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 23. Repossessed assets

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Repossessed assets – land and buildings	<b>45,900</b>	38,325

Repossessed assets are property rights obtained by the Group from debtors following the enforcement of its creditor's right.

During the year ended 31 December 2025, certain repossessed assets with carrying amounts of HK\$19,133,000 (2024: Nil) were sold at net proceeds of HK\$15,295,000 (2024: Nil) after deducting the relevant expenses incurred for the disposals. Loss on disposal of repossessed assets of HK\$3,838,000 (2024: Nil) was recognised in profit or loss for the year ended 31 December 2025.

The estimated market value of the repossessed assets as at 31 December 2025 was HK\$45,900,000 (31 December 2024: HK\$42,200,000). Impairment loss of HK\$3,665,000 was recognised during the year ended 31 December 2025 (2024: Nil).

### 24. Other Receivables, Deposits and Prepayments

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Other receivables	<b>55,357</b>	50,580
Consideration receivables (note (i))	–	8,316
Prepayments	<b>2,031</b>	1,790
Deposit placed with brokers (note (ii))	<b>8,878</b>	1,129
Utility and sundry deposits	<b>6,698</b>	6,669
Total	<b>72,964</b>	68,484

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 24. Other Receivables, Deposits and Prepayments (Continued)

Notes:

- (i) The balance represents the profit guarantee arising from the acquisition of KGH Group upon the maturity of profit guarantee terms during the year ended 31 December 2022. During the year ended 31 December 2024, impairment loss of HK\$9,878,000 was recognised on this balance.

On 31 July 2025, Noble Lion Education Company Limited, a wholly-owned subsidiary of the Company acquired 15% equity interest in KGH Group for a consideration of GBP853,000 (equivalent to HK\$8,316,000) which was settled by offsetting the contingent consideration receivable arising from the Group's initial acquisition of 40% equity interest in KGH in 2018 (the "Acquisition"). The fair value of 15% equity interest in KGH Group at the acquisition date amounted to HK\$5,643,000, therefore, an impairment loss of HK\$2,673,000 was recognised in profit or loss during the year ended 31 December 2025. Details of the Acquisition are set out in Notes 18 and 38.

- (ii) The amounts represent margin deposits placed with brokers for trading derivative financial instruments. The amounts carry interest at variable interest rates of 0.001% (2024: 0.001%) per annum.

All of the other receivables, deposits and prepayments are expected to be recovered or recognised as expense within one year.

### 25. Cash and Cash Equivalents

	2025 HK\$'000	2024 HK\$'000
Cash and cash equivalents in the consolidated statements of financial position and cash flows:		
Cash at banks and on hand (note a)	<b>164,981</b>	268,019
Time deposits with original maturity within three months (note b)	<b>111,890</b>	5,000
	<b>276,871</b>	273,019

Notes:

- a) Cash at banks as at 31 December 2025 includes HK\$257,894,000 (2024: HK\$260,310,000) placed with banks in the PRC, the remittance of which are subject to relevant rules and regulations of foreign exchange control promulgated by the government of the PRC.
- b) Deposits with banks carry interest at market rates approximately 1.5% to 2.8% (2024: 4%) per annum.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 25. Cash and Cash Equivalents (Continued)

#### a) Reconciliation of liabilities arising from financing activities

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

	Borrowings and loan payables (Note 26) HK\$'000	Unsecured bonds (Note 30) HK\$'000	Amounts due to associates (Note 28) HK\$'000	Lease liabilities (Note 32) HK\$'000	Total HK\$'000
At 1 January 2024	1,079,112	52,137	2,825	7,691	1,141,765
Proceeds from new borrowings	21,700	-	-	-	21,700
Repayment of borrowings	(272,086)	-	-	-	(272,086)
Redemption of unsecured bonds	-	(41,146)	-	-	(41,146)
Capital element of lease rental paid	-	-	-	(4,720)	(4,720)
Interest element of lease rental paid	-	-	-	(552)	(552)
Other interest paid	(12,235)	(951)	-	-	(13,186)
Increase in lease liabilities from entering into new leases during the period	-	-	-	2,039	2,039
Early termination of lease contracts	-	-	-	(608)	(608)
Increase in lease liability from lease modification	-	-	-	2,930	2,930
Interest expenses	28,696	186	-	552	29,434
Reversal of loan and interest payables (Note 26(c))	(169,224)	-	-	-	(169,224)
Exchange adjustment	(14,224)	-	(61)	(53)	(14,338)
At 31 December 2024	661,739	10,226	2,764	7,279	682,008
Proceeds from new borrowings	310,733	-	-	-	310,733
Repayment of borrowings	(340,767)	-	-	-	(340,767)
Advance from an associate	-	-	726	-	726
Capital element of lease rental paid	-	-	-	(4,431)	(4,431)
Interest element of lease rental paid	-	-	-	(415)	(415)
Other interest paid	(17,482)	(677)	-	-	(18,159)
Increase in lease liability from lease modification	-	-	-	1,233	1,233
Interest expenses	32,393	451	-	415	33,259
Reversal of loan and interest payables (Note 26(c))	(86,967)	-	-	-	(86,967)
Exchange adjustment	9,643	-	70	60	9,773
At 31 December 2025	569,292	10,000	3,560	4,141	586,993

#### b) Total cash outflows for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	220	680
Within financing cash flows	4,846	5,272
	<b>5,066</b>	5,952

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 26. Borrowings and Loan Payables

	Notes	2025 HK\$'000	2024 HK\$'000
Borrowings from independent third parties	26(a)	<b>38,201</b>	52,469
Borrowings from shareholders	40(b)	<b>88,673</b>	79,672
Borrowings from related parties	26(b)	<b>141,819</b>	24,447
Loan payables arising from the Incidents	26(c)	<b>300,599</b>	505,151
		<b>569,292</b>	661,739
Amounts due within one year		<b>569,292</b>	661,739

Notes:

- a) The borrowings from independent third parties of HK\$32,701,000 (2024: HK\$33,319,000) bore a finance cost measured at a range of annualised rates of 7.5% to 9.5% (2024: 7% to 9.5%), and were repayable within one year and not secured by any assets or guarantees of the Group.

The borrowings from independent third parties of HK\$5,500,000 (2024: HK\$19,150,000) bore finance costs measured at an annualised rate of 9.25% (2024: 10%), and were repayable within one year and secured by loan receivables of the Group of HK\$6,500,000 (2024: HK\$13,702,000) and repossessed asset of Nil (2024: HK\$14,800,000) respectively.

- b) The borrowings from Mr. Zhang Min of HK\$24,447,000 (2024: HK\$24,447,000) bore a finance cost measured at an annualised rate of 7.6% (2024: 7.6%) and were repayable within one year and not secured by any assets or guarantees of the Group.

The borrowings from 北京嘉林國際諮詢管理有限公司(“嘉林國際”), a company that is indirectly controlled by Madam Lo Wan (“Madam Lo”), a substantial shareholder of the Company, of HK\$117,372,000 (2024: Nil) bore a finance cost measured at an annualised rate of 7.0% (2024: Nil) were repayable within one year and not secured by any assets or guarantees of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 26. Borrowings and Loan Payables *(Continued)*

Notes: *(Continued)*

- c) As fully explained in Note 4 to the consolidated financial statements of the Group for the year ended 31 December 2020, the Unauthorised Guarantees, Unauthorised Loans, and Unauthorised Loan Receivables including the interest income, interest expenses and related handling charges had not been fully recorded in the books and records of those relevant subsidiaries accordingly under the instructions of the two former executive directors of the Company. These fraudulent activities are referred as the “Incidents” and those misstatements resulted from the Incidents were corrected and presented in the Group’s consolidated financial statements for the year ended 31 December 2020.

The Group, with the assistance of Zhongjin Jiasheng, had successfully finalised and settled with certain investors/lenders in respect of the Unauthorised Loans, and hence, the respective interest payables of HK\$86,860,000 (2024: HK\$160,039,000) was reversed to profit or loss during the year. Service fee of HK\$17,934,000 (2024: HK\$24,906,000) was charged by Zhongjin Jiasheng and was set off against the loan receivables due from Zhongjin Jiasheng. Apart from those finalised and settled through Zhongjin Jiasheng, certain Unauthorised Loans were concluded through court decision and the respective loan and interest payables of HK\$107,000 (2024: HK\$9,185,000) were also reversed to profit or loss during the year.

As at 31 December 2025, unsettled Unauthorised Loans and related interest payables amounted to HK\$92,737,000 (2024: HK\$113,274,000) and HK\$35,926,000 (2024: HK\$38,088,000) respectively. Interest expenses of HK\$15,115,000 (2024: HK\$18,838,000) in relation to those unsettled Unauthorised Loans were recognised in the profit or loss during the year.

- d) As at 31 December 2025, the liabilities arising from loan guarantee contracts represent the outstanding balance of the Unauthorised Guarantees of HK\$35,487,000 (2024: HK\$57,942,000) if the guarantees were called upon in their entirety.

The Group, with the assistance of Zhongjin Jiasheng, had successfully settled with certain investors/lenders in respect of the Unauthorised Guarantees, and hence, the respective liabilities arising from loan guarantee contracts of HK\$1,601,000 (2024: HK\$1,087,000) was reversed to profit or loss during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 27. Other Payables, Accruals and Deposits Received

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Other payables	<b>119,047</b>	80,337
Accrued salaries and other benefits	<b>1,628</b>	4,063
Other accrued expenses	<b>4,520</b>	7,986
Contract liabilities	<b>7,540</b>	–
Deposits received	<b>97</b>	95
Dividend payable	<b>739</b>	739
Other tax payables	<b>4,784</b>	3,427
	<b>138,355</b>	96,647

As at 31 December 2025, all of the other payables, accruals and deposits received are expected to be settled within one year or are repayable on demand.

Contract liabilities include deposit received from students in relation to the proportionate service not yet provided. The Group receives tuition fees from students in advance prior to the beginning of each academic term. Tuition fees are recognised proportionately over the relevant period of the applicable program.

All contract liabilities are expected to be recognised as revenue within one year.

### 28. Amounts Due from/(to) Associates

The maximum outstanding balances of amounts due from associates during the year ended 31 December 2025 was HK\$6,229,000 (2024: HK\$56,350,000).

The maximum outstanding balance of amounts due to associates during the year ended 31 December 2025 was HK\$3,572,000 (2024: HK\$2,825,000).

The amounts are unsecured, interest free and recoverable/repayable on demand.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 29. Deferred Taxation

- a) For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	<b>31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Deferred tax assets	<b>4,601</b>	2,256
Deferred tax liabilities	<b>(21,033)</b>	(15,781)
	<b>(16,432)</b>	(13,525)

- b) The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follow:

Deferred tax arising from:	<b>ECL on loan receivables</b>	<b>Withholding tax</b>	<b>Fair value adjustment</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	24,700	(35,762)	–	(11,062)
(Charged)/credited to profit or loss (Note 9(a))	(4,189)	1,450	–	(2,739)
Exchange adjustment	(468)	744	–	276
At 31 December 2024 and 1 January 2025	20,043	(33,568)	–	(13,525)
Addition through acquisition of subsidiaries (Note 38)	–	–	(5,308)	(5,308)
Credited to profit or loss (Note 9(a))	2,256	421	27	2,704
Exchange adjustment	539	(842)	–	(303)
At 31 December 2025	22,838	(33,989)	(5,281)	(16,432)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 29. Deferred Taxation (Continued)

#### c) *Deferred tax assets not recognised*

Deferred tax assets in respect of the unused tax losses carried forward are to be recognised to the extent that it is probable that future taxable profits against which the unused tax losses can be utilised will be available in the relevant tax jurisdiction and entity.

The Group has not recognised deferred tax assets in respect of the cumulative tax losses of HK\$718,924,000 (2024: HK\$700,785,000) for its Hong Kong and the PRC incorporated subsidiaries due to the unpredictability of future profit streams. The tax losses do not expire under current tax legislation in Hong Kong and can be carried forward up to five years from the year in which the loss was incurred under current tax legislation in the PRC.

#### d) *Deferred tax liabilities not recognised*

As at 31 December 2025, the aggregate amount of temporary differences associated with undistributed profits of subsidiaries for which deferred tax liabilities have not been recognised was HK\$666,811,000 (2024: HK\$652,943,000). No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

### 30. Unsecured Bonds

The Company issued unlisted and unsecured bonds. The details of the due date and coupon rate per annum are shown in below table. All of the unsecured bonds are carried at amortised cost.

	<b>Coupon rate per annum</b>	<b>2025 HK\$'000</b>	2024 HK\$'000
Unsecured bonds of HK\$10,000,000 due 2026 (renewed in 2025)	4.50%	<b>10,000</b>	–
Unsecured bonds of HK\$10,000,000 due 2025 (issued in 2018)	4.50%	–	10,226
		<b>10,000</b>	10,226

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 31. Derivative Financial Instruments

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Mandatorily measured at FVTPL		
Decumulator contracts (note)	<b>(217)</b>	–
	<b>(217)</b>	–

Note:

The Group has entered into certain decumulator contracts with a licensed financial institution in Hong Kong. These contracts require the Group to sell a predetermined number of shares of a company listed on the Stock Exchange at agreed strike prices, subject to knock-out barriers, over specified periods. The contracts are measured at FVTPL.

The fair values are determined using a Monte Carlo simulation model with observable market inputs including the underlying share price, volatility, risk-free interest rate, and barrier levels (Level 2 fair value hierarchy).

### 32. Lease Liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	2025		2024	
	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
Within 1 year	<b>3,638</b>	<b>3,776</b>	3,809	4,190
After 1 year but within 2 years	<b>503</b>	<b>510</b>	3,470	3,595
	<b>4,141</b>	<b>4,286</b>	7,279	7,785
Less: total future interest expenses		<b>(145)</b>		(506)
Present value of lease liabilities		<b>4,141</b>		7,279

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 33. Share Capital

	No. of shares	HK\$'000
<b>Ordinary shares, issued and fully paid:</b>		
At 1 January 2024, 31 December 2024 and 1 January 2025	209,286,067	2,080,113
Capital reduction (note)	–	(1,334,829)
At 31 December 2025	209,286,067	745,284

Note: With effect from 15 July 2025, the Company reduced the credit standing to the share capital account of the Company (the "Capital Reduction") by an amount of HK\$1,334,829,000 from HK\$2,080,113,000 to HK\$745,284,000. The Company applied the credit arising from the Capital Reduction to a capital reduction reserve account of the Company which was used by the director of the Company to eliminate its accumulated losses in accordance with the Company's articles of association and the Hong Kong Companies Ordinance. Further details of the Capital Reduction have been disclosed in the announcements of the Company dated 30 April 2025 and 15 July 2025 and the circular of the Company dated 9 May 2025.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 34. Reserves

#### a) *Movements in components of equity*

The reconciliation of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

#### *The Company*

	Capital reduction reserve HK\$'000	Share-based compensation reserve HK\$'000	Shares held under the share award scheme HK\$'000	(Accumulated losses)/ retained earnings HK\$'000	Total HK\$'000
<b>At 1 January 2024</b>	-	29,675	(56,661)	(1,397,394)	(1,424,380)
Profit and total comprehensive income for the year	-	-	-	51,151	51,151
Sales of shares held under the share award scheme	-	-	9,817	(2,453)	7,364
Lapse of share option	-	(13,867)	-	13,867	-
<b>At 31 December 2024 and 1 January 2025</b>	-	15,808	(46,844)	(1,334,829)	(1,365,865)
Capital reduction	1,334,829	-	-	-	1,334,829
Elimination of accumulated losses	(1,334,829)	-	-	1,334,829	-
Profit and total comprehensive income for the year	-	-	-	114,321	114,321
Lapse of share option	-	(15,808)	-	15,808	-
<b>At 31 December 2025</b>	-	-	(46,844)	130,129	83,285

#### b) *Dividends*

No dividend was paid or proposed for ordinary shareholders of the Company during both years, nor has any dividend been proposed since the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 34. Reserves (Continued)

#### c) Nature and purpose of reserves

##### (i) Share-based compensation reserve

The share-based compensation reserve represents the portion of the grant date fair value of unexercised share options granted to eligible participants that has been recognised in accordance with the accounting policies adopted for share-based payments.

##### (ii) Share held under the share award scheme

The reserve is dealt with in accordance with the Group's accounting policies relevant to share award scheme. On 7 October 2024, the Company's share award scheme was terminated. A total of 906,000 and 300,000 shares held under the share award scheme were sold on 7 October 2024 and 9 October 2024 at a cash consideration of HK\$6,536,000 and HK\$828,000 respectively. The sale proceeds were held by the trustee and included in other receivables in the consolidated statement of financial position as at 31 December 2024 and 2025.

##### (iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations of which functional currency is not HK\$.

##### (iv) Statutory surplus reserve

According to the Company's PRC subsidiaries' articles of association, each PRC company is required to transfer 10% of its net profit after tax, as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve. When the balance of the statutory surplus reserve reaches 50% of the PRC company's registered capital, any further appropriation is optional. The transfer to this reserve must be made before distribution of a dividend to the shareholders.

Statutory surplus reserve can be used to offset previous years' losses, if any, and may be converted into capital in proportion to their existing shareholdings, provided that the balance after such conversion is not less than 25% of the registered capital.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 35. Employee Retirement Benefits

#### *Defined contribution retirement plan*

The Group operates a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The employees of the Group’s subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries of the Group are required to contribute certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. The Group’s contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. During the years ended 31 December 2025 and 2024, no forfeited contributions were used by the Group to reduce the existing level of contributions or were available for such use.

### 36. Share Options

#### *Equity-settled share option schemes*

The share option scheme adopted by the Company on 7 June 2004 (the “2004 Share Option Scheme”) was terminated on 6 June 2014, and the Company adopted a new share option scheme on 20 May 2014 (the “2014 Share Option Scheme”, together with the 2004 Share Option Scheme are referred to as the “Option Schemes”) at the Company’s annual general meeting held on 20 May 2014 and the 2014 Share Option Scheme has expired on 19 May 2024. No further options shall be offered under the Option Schemes, but in all other respects the provisions of the Option Schemes shall remain in full force and effect and all options granted prior to such termination and not exercised at the date of termination shall remain valid.

According to the terms of the Option Schemes, the directors of the Company are authorised, at their discretion, to invite employees or any person who has contributions to the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The options are exercisable within a period of ten years. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 36. Share Options (Continued)

#### Equity-settled share option schemes (Continued)

The number and weighted average exercise prices of share options are as follows:

Type of participant	Option type	Date of grant	Exercise price per share HK\$	Exercise period	Outstanding at 1/1/2025 '000	Granted during the year '000	Exercised during the year '000	Forfeited during the year '000	Lapsed during the year '000	Outstanding at 31/12/2025 '000
Service providers	2015	26/08/2015	10.92	26/08/2016-25/08/2025	2,750	-	-	-	(2,750)	-
	Exercisable at the end of the year									-
	Weighted average exercise price				HK\$10.92	-	-	-	-	-
Type of participant	Option type	Date of grant	Exercise price per share HK\$	Exercise period	Outstanding at 1/1/2024 '000	Granted during the year '000	Exercised during the year '000	Forfeited during the year '000	Lapsed during the year '000	Outstanding at 31/12/2024 '000
Service providers	2014	11/04/2014	13.20	11/04/2014-10/04/2024	1,500	-	-	-	(1,500)	-
	2015	26/08/2015	10.92	26/08/2016-25/08/2025	2,750	-	-	-	-	2,750
					4,250	-	-	-	(1,500)	2,750
	Exercisable at the end of the year									2,750
	Weighted average exercise price				HK\$11.725	-	-	-	-	HK\$10.92

The options outstanding at 31 December 2024 had an exercise price of HK\$10.92 and a weighted average remaining contractual life of 0.17 year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 37. Share Award Scheme

The directors of the Company adopted a share award scheme (the “Scheme”) to recognise the contribution by employee(s), director(s) or advisor(s) of any member of the Group (the “Grantees”) and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group. On 7 October 2024, the board of directors has resolved to terminate the Scheme.

Upon termination of the Scheme, the trustee shall sell all the shares remaining in the trust within a reasonable time period as agreed between the trustee and the Company and remit all cash and net proceeds of such sale to the Company.

The movements of shares held under the Scheme recognised in equity are as follows:

	<b>No. of shares</b>	<b>HK\$'000</b>
At 1 January 2024	6,962,700	56,661
Sales of shares held under the Scheme	(1,206,000)	(9,817)
At 31 December 2024, 1 January 2025 and 31 December 2025	5,756,700	46,844

During the years ended 31 December 2025 and 2024, there are no acquisition of shares of the Company for the Scheme through purchase in the open market by the trustee.

No award shares are granted to selected Grantees for the years ended 31 December 2025 and 2024. The Scheme was terminated on 7 October 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 38. Acquisition of Subsidiaries

On 31 July 2025, Noble Lion Education Company Limited, a wholly-owned subsidiary of the Company, acquired 15% equity interest in KGH for a consideration of GBP853,000 (equivalent to HK\$8,316,000), which was settled by offsetting the contingent consideration receivable arising from the Group's initial acquisition of 40% equity interest in KGH in 2018. The fair value of 15% equity interest in KGH at the acquisition date amounted to HK\$5,643,000.

On the same day, K.P.I. Development Limited, an indirect wholly-owned subsidiary of the Company, obtained control of the collateral, representing 20% equity interest in KGH held by the debtor, following the enforcement of its creditors' rights against the debtor for a loan receivable with a carrying amount of HK\$7,523,000 (the "Repossession").

Following the Acquisition and the Repossession, together with the 40% equity interest held by the Group since 2018, the Group's total equity interest in KGH Group increased from 40% to 75%, thereby obtaining control over the entity. As a result, KGH Group are accounted for as subsidiaries of the Company.

The relative fair value of the identifiable assets acquired and liabilities assumed at the acquisition date is analysed as follows:

	HK\$'000
<b>Consideration:</b>	
Cost of the Acquisition (Note 24)	5,643
Carrying amount of collateral obtained from the Repossession	7,523
Fair value of 40% equity interest in KGH Group	15,047
<b>Total consideration</b>	<b>28,213</b>
	HK\$'000
<b>Asset acquired and liabilities recognised at the date of acquisition:</b>	
Property, plant and equipment	58,788
Accounts receivables	3,942
Prepayments and other receivables	4,083
Cash and cash equivalents	926
Accrued expenses and other payables	(24,815)
Deferred tax liabilities	(5,308)
	37,616

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 38. Acquisition of Subsidiaries (Continued)

	HK\$'000
<hr/>	
<b>Goodwill arising on acquisition:</b>	
Consideration transferred	28,213
Less: recognised amounts of net assets acquired	(37,616)
Less: non-controlling interests	9,403
<hr/>	
Goodwill arising on acquisition	–
<hr/>	
	HK\$'000
<hr/>	
<b>Net cash inflow on acquisition of KGH Group:</b>	
Cash and cash equivalents balances acquired	926
<hr/>	
	HK\$'000
<hr/>	
<b>Loss on step acquisition of KGH Group:</b>	
40% of equity interest in KGH Group	
Fair value	15,047
Less: carrying amount	(15,733)
<hr/>	
	(686)
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 38. Acquisition of Subsidiaries *(Continued)*

Included in the profit for the year ended 31 December 2025 is a loss of HK\$8,390,000 attributable to the additional business contributed by KGH Group. Revenue for the year ended 31 December 2025 includes HK\$10,208,000 generated from KGH Group.

Had the acquisition of KGH Group been completed on 1 January 2025, revenue for the year ended 31 December 2025 of the Group would have been HK\$125,784,000, and profit for the year ended 31 December 2025 would have been HK\$73,208,000. The pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor was it intended to be a projection of future results.

### 39. Capital Commitments

As disclosed in Note 18, the Group has an obligation to settle an amount of US\$2,000,000 (equivalent to approximately HK\$15,600,000) as its capital contribution to 中匯豐源, an associate of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 40. Material Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with its related parties during the year:

#### a) *Remuneration of key management personnel of the Group*

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 10, is as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Short-term employee benefits	<b>5,654</b>	9,967
Post-employment benefits	<b>319</b>	317
	<b>5,973</b>	10,284

Total remuneration is included in "staff costs" (see Note 8(a)).

#### b) *Financing arrangements*

In addition to the details of financing arrangements with related parties disclosed elsewhere in the consolidated financial statements, the details of the borrowings from shareholders included in borrowings and loan payables are as follows:

<b>Name</b>	Notes	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Short-term borrowings			
Ms. Cheung Siu Hung ("Ms. Cheung")	(1)	<b>8,673</b>	8,672
Mr. Cheung	(2)	<b>80,000</b>	71,000
		<b>88,673</b>	79,672

Notes:

- (1) The loan from Ms. Cheung, a shareholder of the Company and sister of Mr. Cheung, is unsecured, bears interest at 8% (2024: 8%) per annum and is repayable on demand.
- (2) The loan from Mr. Cheung is unsecured, bears interest at 9% (2024: 9%) per annum and is repayable on demand.

The directors of the Company are of the opinion that such transactions were conducted on mutually agreed terms and in the ordinary course of business.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 40. Material Related Party Transactions (Continued)

#### c) Transactions with related parties

- (i) For the year ended 31 December 2025, the Group paid office rental of approximately HK\$48,000 (2024: HK\$49,000) and HK\$642,000 (2024: HK\$1,127,000) to 北京元長厚茶葉有限公司 and 北京達隆鼎業管理諮詢有限公司 respectively, of which Madam Lo is the beneficial owner.

The directors of the Company are of the opinion that such transactions were conducted on mutually agreed terms in the ordinary course of business.

- (ii) The details of interest paid by the Group are as follows:

Name	Note	2025 HK\$'000	2024 HK\$'000
Ms. Cheung		680	651
Mr. Cheung		9,837	6,809
Mr. Zhang Min		1,824	1,667
Geston Limited	(1)	–	18
嘉林國際	(1)	297	–
北京港佳農莊有限公司 ("港佳農莊")	(1)	113	–
		<b>12,751</b>	9,145

Note:

- (1) Geston Limited, 嘉林國際 and 港佳農莊 are the companies controlled by Madam Lo.

### 41. Financial Risk Management and Fair Values of Financial Instruments

The Group's major financial instruments include accounts receivables, loan receivables, interest receivables, other receivables and deposits, amounts due from associates, cash and cash equivalents, other financial assets, borrowings and loan payables, other payables and deposit received, amounts due to associates, unsecured bonds, liabilities arising from loan guarantee contracts, lease liabilities and derivative financial instruments. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk and price risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### *a) Credit risk*

Credit risk arises from a customer's inability or unwillingness to meet its financial obligations to make timely payments under loans the Group guaranteed or provided. Credit risk is primarily attributable to the loan business of the Group, (i.e. loan receivables and interest receivables), financial guarantee provided by the Group, accounts receivables, other receivables and deposits, amounts due from associates, cash at banks and other financial assets.

#### *(i) Credit risk arising from loan business*

The Group has taken measures to identify credit risks arising from loan business. The Group manages credit risk at every stage of its risk management system, including pre-approval, review and credit approval, and post-transaction monitoring processes. The Group conducts customer acceptance and due diligence by the business department and risk management department during the pre-approval process. A transaction is subject to review and approval of credit approval officer and the executive directors depending on the transaction size.

During the post-transaction monitoring process, the Group performs credit evaluations on each customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

Most of the loans granted are backed by collateral (e.g. property, gold, jewellery, diamonds and watches etc.) as security. The Group also focuses on ascertaining legal ownership and the valuation of the collateral. A loan granted is based on the value of the collateral and generally approximates 1%-100% for the year (2024: 1%-100%) of the estimated value of the collateral. The Group closely monitors the ownership and the value of the collateral throughout the loan period. As at 31 December 2025, in the opinion of the Company's directors, the Group held collateral with value not less than the carrying amount of the secured loan receivables. The loan receivables are due by the date as specified in the corresponding loan agreements.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 9.72% (2024: 14.02%) and 21.78% (2024: 25.05%) of the total loan receivables was due from the Group's largest debtor and the five largest debtors respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### a) *Credit risk (Continued)*

##### (i) *Credit risk arising from loan business (Continued)*

The Group applies ECL model to measure impairment losses of the loans receivables.

The Group adopts a loan risk classification approach to manage its loans to customers portfolio risk. Loans to customers are categorised into the following stages by the Group:

##### *Stage 1*

Loans to customers have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12m ECLs (12m ECLs-not credit-impaired).

##### *Stage 2*

Loans to customers have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime ECLs (Lifetime ECLs-not credit-impaired).

##### *Stage 3*

Loans to customers that are in default and considered credit impaired (Lifetime ECLs-credit-impaired).

##### *Parameters of ECL model*

According to whether there is a significant increase in credit risk, the Group measures the impairment loss on loan receivables and interest receivables with ECL of 12 months or lifetime respectively. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). Based on the requirements of HKFRS 9, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### a) *Credit risk (Continued)*

##### (i) *Credit risk arising from loan business (Continued)*

###### *Modification of contractual cash flows*

A modification or re-negotiation of a contract between the Group and a counterparty may result in a change to the contractual cash flows without resulting in the derecognition of the financial assets.

Such restructuring activities include extended payment term arrangements, repayment schedule modifications and changes to the interest settlement method. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset and the book value of the financial asset is recalculated and the related gain or loss is included in current profit and loss. The recalculated book value of the financial asset is determined based on the present value of the contractual cash flows following the renegotiation or modification, as calculated using the original effective interest rate of the financial asset.

The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are transferred from Stage 3 or Stage 2 to Stage 1. At 31 December 2025, the carrying amount of financial assets with such modified contractual cash flows was not significant.

Further quantitative disclosure in respect of the Group's exposure to credit risk arising from loan receivables and interest receivables are set out in Notes 20 and 21 respectively.

##### (ii) *Credit risk arising from financial guarantee*

The management performed impairment assessment on the financial guarantees contracts and will recognise impairment loss when there is a significant increase in credit risk compared to the initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for these financial guarantee contracts issued by the Group is measured at an amount equal to lifetime ECL. The maximum exposure to credit risk in respect of these financial guarantees contracts will be recognised under "liabilities arising from loan guarantee contracts" during the year. Reversal of loss allowance of HK\$1,601,000 was recognised in profit or loss during the year ended 31 December 2025 (2024: HK\$1,087,000). Details of the financial guarantee contracts are set out in Note 26(d).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### a) *Credit risk (Continued)*

##### *(iii) Other credit risks*

In respect of accounts receivables, the Group measures loss allowances at an amount equal to lifetime ECL, which is calculated using a provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, aging, repayment history and/or past due status of respective accounts receivables. Estimated loss rates are based on historical observed default rates over the past five years, related information published by external credit rating agencies and are adjusted for reasonable and supportable forward-looking information that is available without undue costs or effort. Further quantitative disclosure in respect of the Group's exposure to credit risk arising from accounts receivables is set out in Note 22.

In respect of other receivables, deposits and amounts due from associates, individual credit evaluations are performed on all debtors requiring credit over a certain amount. These evaluations focus on the debtor's past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtor operates.

The majority of the Group's investments are liquid securities listed on the recognised stock exchanges. Given their high credit standing, management does not expect any investment counterparty to fail to meet its obligations.

The credit risk on cash at banks and security deposits paid is limited because the counterparties are banks and other financial institutions with high credit ratings assigned by international credit-rating agencies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### *b) Liquidity risk*

Individual operating entities within the Group are responsible for its own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demand, subject to the Company's board approval when the borrowings exceed certain predetermined level of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following liquidity tables show the remaining contractual maturities for the Group's financial liabilities, lease liabilities and derivative financial instruments for non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted gross inflows on those derivatives that require gross settlement. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### *b) Liquidity risk (Continued)*

As at 31 December 2025

	Contractual undiscounted cash outflow				Carrying amount at 31 December HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total contractual undiscounted cash flow HK\$'000	
Borrowings and loan payables	580,736	-	-	580,736	569,292
Unsecured bonds	10,221	-	-	10,221	10,000
Amounts due to associates	3,560	-	-	3,560	3,560
Lease liabilities	3,776	510	-	4,286	4,141
Other payables, accruals and deposit received	126,031	-	-	126,031	126,031
Liabilities arising from loan guarantee contracts	35,487	-	-	35,487	35,487
	<b>759,811</b>	<b>510</b>	<b>-</b>	<b>760,321</b>	<b>748,511</b>
<b>Derivative gross settlement</b>					
Decumulator contract-inflow	2,444	-	-	2,444	(217)

As at 31 December 2024

	Contractual undiscounted cash outflow				Carrying amount at 31 December HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total contractual undiscounted cash flow HK\$'000	
Borrowings and loan payables	665,546	-	-	665,546	661,739
Unsecured bonds	10,543	-	-	10,543	10,226
Amount due to an associate	2,764	-	-	2,764	2,764
Lease liabilities	4,190	3,595	-	7,785	7,279
Other payables, accruals and deposit received	93,220	-	-	93,220	93,220
Liabilities arising from loan guarantee contracts	57,942	-	-	57,942	57,942
	<b>834,205</b>	<b>3,595</b>	<b>-</b>	<b>837,800</b>	<b>833,170</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### *c) Interest rate risk*

The Group is principally engaged in the provision of financing services. Its interest rate risk arises primarily from deposits with banks and other financial institutions, loan receivables, interest-bearing borrowings and unsecured bonds.

Financial instruments with variable interest rates expose the Group to cash flow interest rate risk. The Group is exposed to fair value interest rate risk in relation to financial instruments with fixed interest rates.

The Group does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

#### *(i) Interest rate profile*

The following table details the interest rate profile of the Group's assets and liabilities at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
<b>Fixed interest rate</b>		
Financial assets		
– Loan receivables	915,078	998,071
– Time deposit with maturity within three months	111,890	5,000
	<b>1,026,968</b>	1,003,071

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

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

##### *(i) Interest rate profile (Continued)*

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Financial liabilities		
Borrowings from independent third parties	<b>(38,201)</b>	(52,469)
Borrowings from shareholders	<b>(88,673)</b>	(79,672)
Borrowings from related parties	<b>(141,819)</b>	(24,447)
Loan payables arising from the Incidents	<b>(300,599)</b>	(505,151)
Unsecured bonds	<b>(10,000)</b>	(10,226)
Lease liabilities	<b>(4,141)</b>	(7,279)
	<b>(583,433)</b>	(679,244)
Net fixed-rate financial instruments	<b>443,535</b>	323,827
<b>Variable interest rate</b>		
Financial assets		
– Cash at bank	<b>164,981</b>	268,019
Net variable-rate financial instruments	<b>164,981</b>	268,019

##### *(ii) Sensitivity analysis*

Cash at banks is excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### d) *Equity price risk*

The Group is exposed to equity price risk arising from listed equity classified as other financial assets (see Note 19). Other than unquoted investments held for strategic purposes, all of these investments are listed.

The Group's listed equity investments are listed on recognised stock exchanges. Listed equity investments held in the portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared the relevant industry indicators, as well as the Group's liquidity needs.

As at 31 December 2025, it is estimated that an increase of 10% (2024: 10%) in the relevant stock market index (for listed equity investments), with all other variables held constant, would have increased/decreased the Group's profit after tax and retained earnings (2024: increased/decreased the Group's profit after tax and decreased/increased the Group's accumulated losses) and other components of consolidated equity, and vice versa, as follows:

	2025		2024	
	Increase/ (decrease) in profit after tax and retained earnings HK\$'000	Effect on other components of equity HK\$'000	Increase/ (decrease) in profit after tax and decrease/ (increase) in accumulated losses HK\$'000	Effect on other components of equity HK\$'000
<b>Change in the relevant equity price risk variable:</b>				
Increase	10%	258	-	529
Decrease	10%	(258)	-	(529)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### *d) Equity price risk (Continued)*

The sensitivity analysis indicates the instantaneous change in the Group's (profit after tax) and retained earnings/accumulated losses and other components of consolidated equity that would arise assuming that the changes in the stock market index or fair value had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is assumed that the fair values of the Group's listed investments would change in accordance with the historical correlation with the relevant stock market index, that none of the Group's listed investments would be considered impaired as a result of the decrease in the relevant stock market index, and that all other variables remain constant.

#### *e) Fair value measurement*

##### *(i) Financial assets and liabilities measured at fair value*

###### *Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable input

For financial instruments traded in inactive markets, their fair value measurements are based on net assets values provided by the relevant investment fund manager.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments (Continued)

#### e) Fair value measurement (Continued)

##### (i) Financial assets and liabilities measured at fair value (Continued)

##### Fair value hierarchy (Continued)

The following table provides an analysis of financial instruments measured at fair value. The classification is based on the degree to which the key inputs used in the fair value measurements are observable and the significance of adjustments to the key inputs used in the fair value measurements.

	Fair value at 31 December 2025 HK\$'000	Fair value measurements as at 31 December 2025 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Recurring fair value measurement</b>				
Assets:				
Other financial assets				
– Equity securities, listed	2,578	2,578	–	–
Liabilities:				
Decumulator contracts	217	–	217	–
Fair value measurements as at 31 December 2024 categorised into				
	Fair value at 31 December 2024 HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Recurring fair value measurement</b>				
Assets:				
Other financial assets				
– Equity securities, listed	5,287	5,287	–	–
– Unlisted debt instruments in the PRC	16,198	–	–	16,198

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 41. Financial Risk Management and Fair Values of Financial Instruments *(Continued)*

#### e) *Fair value measurement (Continued)*

##### (i) *Financial assets and liabilities measured at fair value (Continued)*

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

##### *Information about Level 3 fair value measurements*

	<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>
Unlisted debt instruments in the PRC	Discounted cash flow	2024: Expected returns of 1.30% to 1.95%

The movements during the year in the balances of these Level 3 fair value measurements are as follows:

	<b>2025</b>	2024
<b>Unlisted debt instruments in the PRC</b>	<b>HK\$'000</b>	HK\$'000
At 1 January	<b>16,198</b>	27,587
Additions	<b>50,209</b>	323,199
Fair value change recognised in profit and loss	<b>96</b>	513
Disposal	<b>(66,677)</b>	(334,668)
Exchange adjustment	<b>174</b>	(433)
At 31 December	<b>–</b>	16,198
Total gain or loss for the year included in profit or loss for assets held at the end of the reporting period	<b>–</b>	–

##### (ii) *Fair value of financial instruments carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2025 and 31 December 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 42. Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The capital structure of the Group consists of net debt, which includes the borrowings and loan payables, amount due to an associate, unsecured bonds and lease liabilities disclosed in respective notes, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and other reserves.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 43. Company-level Statement of Financial Position

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		2,051	3,331
Investments in subsidiaries		675,534	687,554
Investment in an associate		3,900	3,900
		<b>681,485</b>	694,785
<b>Current assets</b>			
Other receivables, deposits and prepayments		13,520	13,590
Amounts due from subsidiaries		306	867,060
Dividend receivables from subsidiaries		636,551	660,986
Amounts due from associates		205	248
Cash and cash equivalents		458	340
		<b>651,040</b>	1,542,224
<b>Current liabilities</b>			
Borrowings and loan payables		80,739	79,575
Accruals and other deposit received		3,171	7,154
Liabilities arising from loan guarantee contracts		177,143	301,857
Unsecured bonds		10,000	10,226
Lease liabilities		999	1,977
Amounts due to subsidiaries		231,904	1,120,973
		<b>503,956</b>	1,521,762
<b>Net current assets</b>		<b>147,084</b>	20,462
<b>Total assets less current liabilities</b>		<b>828,569</b>	715,247
<b>Non-current liability</b>			
Lease liabilities		-	999
		-	999
<b>NET ASSETS</b>		<b>828,569</b>	714,248
<b>EQUITY</b>			
Share capital	33	745,284	2,080,113
Reserves	34	83,285	(1,365,865)
<b>TOTAL EQUITY</b>		<b>828,569</b>	714,248

Approved and authorised for issue by the board of directors on 27 March 2026 and were signed on its behalf by:

**Zhang Min**  
Director

**Zhang Kun**  
Director

## PRINCIPAL PROPERTIES HELD FOR INVESTMENT PURPOSES

### China

Location	Lot number	Type	Lease term
No. 34, 1st to 3rd Floor, Commercial Building, No. 12 Chezhan Road, Miyun Town, Miyun District, Beijing, China	110118 001001 GB00056 F00020009	Commercial	Medium term lease
No. 30, 1st to 3rd Floor, Commercial Building, No. 12 Chezhan Road, Miyun Town, Miyun District, Beijing, China	110118 001001 GB00056 F00020008	Commercial	Medium term lease
Room 102, Unit 1, B1 to 3rd Floor Building No. 34, Tongli Dongqu, Tongzhou District, Beijing, China	110112 104001 GB00372 F00040002	Residential	Medium term lease

## FINANCIAL SUMMARY

For the year ended 31 December 2025

### Summary Financial Information

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified or restated as appropriate, is set out below. This summary does not form part of the audited financial statements.

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Results</b>					
Revenue	<b>103,793</b>	101,595	131,473	200,826	304,593
Profit/(loss) for the year	<b>71,170</b>	42,297	(157,588)	(48,754)	(246,130)
Attributable to:					
Owners of the Company	<b>71,452</b>	41,232	(159,972)	(52,553)	(250,065)
Non-controlling interests	<b>(282)</b>	1,065	2,384	3,799	3,935
	<b>71,170</b>	42,297	(157,588)	(48,754)	(246,130)
<b>As at 31 December</b>					
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Assets and liabilities</b>					
Total assets	<b>1,713,018</b>	1,738,596	2,214,651	2,644,407	3,368,677
Total liabilities	<b>(878,468)</b>	(1,004,936)	(1,514,707)	(1,773,345)	(2,356,208)
Non-controlling interests	<b>(85,733)</b>	(76,422)	(79,230)	(81,337)	(88,652)
Balance of total equity attributable to equity shareholders of the Company	<b>748,817</b>	657,238	620,714	789,725	923,817