



联洋智能
PAD

Pan Asia Data Holdings Inc.
聯洋智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1561



2025
ANNUAL REPORT

Contents

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	5
Biographical Details in Respect of Directors and Senior Management	10
Directors' Report	13
Corporate Governance Report	24
Independent Auditor's Report	39
Consolidated Statement of Profit or Loss and Other Comprehensive Income	44
Consolidated Statement of Financial Position	46
Consolidated Statement of Changes in Equity	48
Consolidated Statement of Cash Flows	49
Notes to the Consolidated Financial Statements	51
Financial Summary	130



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Gu Zhongli (*Chairman*)
Mr. Li Yunjiu
Mr. Jin Peiyi

Non-Executive Directors

Mr. Sze Siu Ming
Mr. Sze Ka Ho

Independent Non-Executive Directors

Ms. Xu Yanqiong
Ms. Yung Hoi Yan, *JP*
Mr. So Ching Tung, *JP*

AUDIT COMMITTEE

Ms. Xu Yanqiong (*Chairman*)
Ms. Yung Hoi Yan, *JP*
Mr. So Ching Tung, *JP*

NOMINATION COMMITTEE

Ms. Yung Hoi Yan, *JP* (*Chairman*)
Mr. Gu Zhongli
Ms. Xu Yanqiong

REMUNERATION COMMITTEE

Ms. Xu Yanqiong (*Chairman*)
Mr. Gu Zhongli
Ms. Yung Hoi Yan, *JP*

COMPANY SECRETARY

Mr. Wong Kin Tak

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman
KY1-1002
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, Yue On Commercial Building
385-387 Lockhart Road
Wan Chai
Hong Kong
Telephone: (852) 2787 0008
Facsimile: (852) 2787 0010

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman
KY1-1002
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

1561

WEBSITE

<http://www.irasia.com/listco/hk/pad/>

Chairman's statement

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Pan Asia Data Holdings Inc. (the "Company", together with its subsidiaries collectively referred to as the "Group"), I would like to review the operating results of the Group for the year ended 31 December 2025 and put the Group's prospect in the future into perspective.

Pan Asia Data Holdings Inc.'s big data services arm operates within a specialised "AI plus risk-tech" segment, mainly serving Chinese financial institutions, a market that by 2025 has been shifting from rapid expansion to more disciplined, compliance-driven growth. Industry demand is being reshaped by a combination of regulatory tightening and the banking sector's need to modernise risk infrastructure. China's 2022–2025 Fintech Development Plan, together with evolving data-protection and cybersecurity rules, encouraged the adoption of big data and AI in finance while imposing stricter requirements on data governance, model risk management and system resilience. In this context, players in this industry competed in a fragmented landscape that includes in-house bank IT teams, big-tech-affiliated platforms and niche risk-tech vendors, with competitive advantage increasingly determined by depth of domain expertise, quality of AI models and the ability to meet demanding compliance and data-security standards. In 2025, the market niche that the Group targeted was characterised less by explosive volume growth and more by "fewer, stickier" institutional relationships built on trust, compliance and demonstrable risk-management outcomes. Tight regulation and slower growth in retail credit acted as clear headwinds for transaction-driven expansion, but they also raised barriers to entry and can favour established platforms with mature models, proven integration track records and secure cloud infrastructure.

Against this backdrop, the Company's strategic emphasis on strengthening its SaaS/PaaS architecture, enhancing AI-driven risk-decision capabilities and aligning with evolving data-security expectations positions it as a specialised data-intelligence enabler to the financial sector rather than a generic fintech tool provider. The Group achieved a revenue of approximately RMB79,186,000 for the year ended 31 December 2025 from its big data business. Reaffirming a strategic focus on core big data and data intelligence services, the Group exited its third-party payment business in June 2025.

Looking into 2026, Chinese financial institutions continue to demand compliant, AI driven risk models and cloud based risk platforms, but are more cautious about technology spending budgets, prioritising efficiency and ROI in core risk and customer management use cases, while new loan industry rules such as the Personal Loan Management Measures have raised compliance costs and tightened profitability for consumer credit providers, keeping overall retail credit growth subdued and pressuring the volume oriented parts of the big data risk tech market. At the same time, China's broader fintech market is still projected to grow at a mid teens compound annual rate through 2027, with AI and data intelligence infrastructure remaining a key driver, supporting long term demand for the Group's big data services. Management's stated goal is to shift the Group's big data business from "scale driven" to value driven, by strengthening its SaaS/PaaS architecture, AI driven decision middleware, and multi modal data fusion engines, while deepening relationships with its existing and potential clients and horizontally expanding its customer base, with competitive advantage increasingly dependent on model quality and scenario depth (such as pre loan screening, existing customer value mining, and digital operations), robust data governance and cybersecurity compliance, and the ability to meet tougher regulatory expectations on data protection and AI model risk management.

Chairman's statement

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our employees and management team for their contributions to the Company, as well as to all our shareholders for their unwavering support and trust in the Company and the team during these years. We always aim at becoming an innovator in digital intelligent application and a practitioner of artificial intelligence technology, so as to create greater and more durable value for our customers and our shareholders.

Gu Zhongli

Chairman

Hong Kong, 31 March 2026

Management Discussion and Analysis

RESULTS AND FINANCIAL OVERVIEW

Pan Asia Data Holdings Inc. (the “Company”) and its subsidiaries (together the “Group”) had a consolidated revenue from continuing operations of approximately HK\$79,186,000 (2024: HK\$167,673,000 (restated)) for the year ended 31 December 2025. This represented a decrease of approximately 52.8% compared with that for the previous year mainly due to significant decrease in the business activities of the Group’s big data provision services after the non-renewal of major license contract.

Loss from continuing operations dropped from HK\$355,815,000 (restated) for the year ended 31 December 2024 to HK\$27,500,000 for the year ended 31 December 2025, mainly attributable to decrease in impairment losses recognised on non-financial assets and the decrease in distribution and selling expenses, administrative expenses and research and development expenses, partially offsetting the decline in gross profit.

Loss per share from continuing operations for the year ended 31 December 2025 was approximately HK1.9 cents (2024: HK22.7 (restated)).

FINAL DIVIDEND

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

BUSINESS REVIEW

Big Data Business

Lian Yang Guo Rong Holdings Limited (“LYGR”), a subsidiary of the Company, and its subsidiaries (the “LYGR Group”) are principally engaged in the development of big data mining, modelling and analytics in general, and the provision of digital risk management and other digital services to corporate customers. The independent SaaS/PaaS cloud platform established by the LYGR Group has provided support on the artificial intelligence (“AI”) empowered algorithm solutions, digital operation and management capabilities applied to retail finance to a large number of core customers including major banks, leading licensed consumer finance companies and large-scale personal credit digital transformation providers in China.

In 2025, the Company continued to witness the ongoing turbulence and complexity of the global economic and market environment. Amid the wave of domestic structural adjustments, the market and the LYGR Group’s development faced unprecedented new challenges. Although the domestic economy showed a steady recovery and demand for consumer credit gradually picked up, fluctuations in the growth rate of the number of bank accounts and credit cards per capita, coupled with intensified industry competition and enhanced regulation, exerted significant pressure on the business environment. As the yield of the personal consumer credit market further narrowed, financial institutions, which were the major customers of LYGR Group in or before 2024, generally lowered their risk control budgets, resulting in a significant contraction in the scale of the Group’s big data risk control business.

In addition, the National Financial Supervision and Administration Authority* (國家金融監督管理總局) in February 2024 issued the “Personal Loan Management Measures”* (《個人貸款管理辦法》), “Fixed Asset Loan Management Measures”* (《固定資產貸款管理辦法》) and “Working Capital Loan Management Measures”* (《流動資金貸款管理辦法》) which came into effect in July 2024. With the increasingly stringent requirements for data sources and model interpretability, the entire industry has entered a new normal of “low gross profit and high compliance costs”.

* English translation for identification purpose only

Management Discussion and Analysis

Facing increasingly cautious procurement behavior from the demand side and after the non-renewal of major license contract, the Group still achieved revenue of approximately HK\$79,186,000 for the year ended 31 December 2025 under business pressure. Meanwhile, the Group further implemented cost-reducing and efficiency-enhancing measures, including flattening the organizational structure, establishing a dynamic human resources pool, and adopting cloud-based elastic computing power to replace fixed expenses, thereby concentrating resources on high-potential business segments while ensuring the stability of the core team.

While consolidating its advantages in financial risk control, the Group actively seeks to reduce its reliance on a single industry. With the established SaaS/PaaS cloud platform and AI large model capabilities, the Group has horizontally expanded its big data analysis services to multiple industries, including education, culture and telecommunications operators, actively developing new data models and service scenarios.

Third-Party Payment Services Business

During the year ended 31 December 2025, the Group disposed of the entire equity interest in Pan Asia Data (BVI) Inc. ("PAD (BVI)"), the then wholly-owned subsidiary of the Company, to Timenew Limited, a former shareholder of the Company, at a cash consideration of HK\$1, accordingly the Group had discontinued the third-party payment services business operated by PAD (BVI) and the subsidiaries of PAD (BVI), in view of the negative contributions derived from this third-party payment services segment. Details of the disposal are set out in the Company's announcement dated 27 March 2025 and circular dated 30 May 2025. A gain from discontinued operation of approximately HK\$33,867,000 for the year ended 31 December 2025 is recognised upon disposal of PAD (BVI).

Overall Performance

Consolidated gross profit from continuing operations and gross profit margin from continuing operations of the Company decreased from HK\$101,317,000 (restated) and 60.4% (restated) for the year ended 31 December 2024 to HK\$8,263,000 and 10.4% for the year ended 31 December 2025 respectively, mainly attributable to significant decrease in revenue the business activities of the Group's big data provision services and squeeze in gross profit margin due to the intense pressure on the business environment and the increasing compliance costs.

Other gains and losses increased from HK\$25,184,000 (restated) for the year ended 31 December 2024 to HK\$37,439,000 for the year ended 31 December 2025, mainly attributable to the waiver of trade payable of HK\$37,043,000 (2024: Nil) arising from the debt restructuring arrangement with a creditor that agreed to waive partial payable of the outstanding balance in 2025.

Impairment losses recognised on non-financial assets such as property, plant and equipment, right-of-use assets and intangible assets, decreased from HK\$357,606,000 for the year ended 31 December 2024 to HK\$21,741,000 for the year ended 31 December 2025. For details, please refer to note 18 to the consolidated financial statements in this annual report.

Management Discussion and Analysis

The Directors considered LYGR as a cash generating unit (“CGU”) (the “LYGR CGU”) and intangible assets (including goodwill and supplier relationship) of approximately HK\$353,074,000 were allocated to the LYGR CGU at 2 June 2021 (date of acquisition of LYGR by the Company), subject to annual impairment assessment. In assessing and evaluating the impairment of LYGR’s goodwill and other intangible assets, the Company engaged an independent external professional qualified valuer (the “Valuer”) to conduct a valuation of the fair value of the LYGR Group as at 31 December 2024. The Company and the Valuer adopted an income approach, specifically the discounted cash flow method to derive the value in use of the LYGR Group to derive the fair value of LYGR as at 31 December 2024. During the year ended 31 December 2024, as the major license contract in respect of LYGR Group’s big data business was not yet renewed, there was a huge decline of revenue generated by LYGR Group, and the non-current assets of LYGR Group were expected to generate less future cash flow in the foreseeable future, accordingly impairment losses on property, plant and equipment, right-of-use assets and intangible assets directly related to LYGR CGU of approximately HK\$2,473,000, HK\$12,378,000 and HK\$342,755,000 respectively totaling HK\$357,606,000 were recognised for the year ended 31 December 2024.

As at 31 December 2025, based on the management’s assessment, the renewal of a major license contract for LYGR Group’s big data business became remote. Hence, in the opinion of the Directors, the carrying amount of supplier relationship in relation to a major license contract recorded as intangible assets of approximately HK\$21,741,000 had been fully impaired as impairment losses recognised on non-financial assets for the year ended 31 December 2025.

Distribution and selling expenses, administrative expenses and research and development expenses for continuing operations decreased from HK\$38,787,000 (restated), HK\$51,755,000 (restated) and HK\$35,031,000 (restated) for the year ended 31 December 2024 to HK\$11,801,000, HK\$15,923,000 and HK\$17,051,000 for the year ended 31 December 2025 respectively, along with the decline in the Group’s big data business and as a result of the implementation of additional cost-reducing and efficiency-enhancing measures.

LIQUIDITY, FINANCIAL RESOURCES, CAPITAL STRUCTURE, CHARGE ON ASSETS AND EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES

As at 31 December 2025, the Group’s non-current assets of approximately HK\$1,063,000 (2024: HK\$112,827,000) consisted of property, plant and equipment of HK\$Nil (2024: HK\$1,474,000), right-of-use assets of approximately HK\$1,063,000 (2024: HK\$1,632,000), intangible assets of HK\$Nil (2024: HK\$22,885,000) and financial assets at fair value through profit and loss of HK\$ Nil (2024: HK\$86,836,000). These non-current assets are principally financed by the shareholders’ funds and borrowings of the Group. As at 31 December 2025, the Group’s net current liabilities amounted to approximately HK\$49,163,000 (2024: HK\$141,937,000).

As at 31 December 2025, the Group had total indebtedness of approximately HK\$80,075,000 (2024: HK\$149,202,000) which comprised borrowings of approximately HK\$13,596,000 (2024: HK\$80,683,000), convertible bonds of approximately HK\$65,402,000 (2024: HK\$60,458,000) and lease liabilities of approximately HK\$1,077,000 (2024: HK\$8,061,000).

Management Discussion and Analysis

As at 31 December 2025, all the borrowings of the Group, except for total amount equivalent to HK\$Nil (2024: HK\$68,066,000) which was denominated in Renminbi, were denominated in Hong Kong dollars. As at 31 December 2025 and 31 December 2024, all borrowings carried fixed interest rates and were repayable within one year. As at 31 December 2025 and 31 December 2024, the convertible bonds bear interest of 6% per annum and were denominated in Hong Kong dollars. As at 31 December 2025, subsequent to the default of the convertible bonds, an additional interest has been accrued at the rate of 10% (2024: 10%) per annum from the date of occurrence of default until all sums due in respect of such convertible bonds are fully settled. Interest rates for all leases are fixed on the contract dates. For additional details of the Group's borrowings and convertible bonds, please refer to notes 28 and 29 to the consolidated financial statements in this annual report respectively.

The Group monitored its capital sufficiency using gearing ratio. As of 31 December 2025, the Group's gearing ratio (total liabilities/total assets) was 1.4 times (2024: 1.1 times). The current ratio, calculated by dividing current assets by current liabilities, as at 31 December 2025 was approximately 0.7 times (2024: 0.8 times).

As at 31 December 2025 and 31 December 2024, the Group did not have any assets under charge/pledge.

The Group's operations are mainly located in the PRC and its transactions, related working capital and borrowings are primarily denominated in Renminbi and Hong Kong dollars. The Group closely monitors its foreign exchange exposure and considers hedging significant currency exposure should the need arise.

Save as disclosed in this annual report, the Group did not have any material capital commitments and contingent liabilities as at 31 December 2025 and 31 December 2024.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this annual report, the Group did not have any other significant investments or other material acquisitions or disposals during the year ended 31 December 2025 and there was no plan authorised by the Board for other material investments or additions of capital assets up to the date of this annual report.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 67 (2024: 172) employees as at 31 December 2025. The Group seeks to ensure that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

Management Discussion and Analysis

PROSPECTS AND STRATEGIES

Pan Asia Data Holdings Inc.'s big data services arm operates within a specialised “AI plus risk-tech” segment, mainly serving Chinese financial institutions, a market that by 2025 has been shifting from rapid expansion to more disciplined, compliance-driven growth. Industry demand is being reshaped by a combination of regulatory tightening and the banking sector's need to modernise risk infrastructure. China's 2022–2025 Fintech Development Plan, together with evolving data-protection and cybersecurity rules, encouraged the adoption of big data and AI in finance while imposing stricter requirements on data governance, model risk management and system resilience. In this context, players in this industry competed in a fragmented landscape that includes in-house bank IT teams, big-tech-affiliated platforms and niche risk-tech vendors, with competitive advantage increasingly determined by depth of domain expertise, quality of AI models and the ability to meet demanding compliance and data-security standards. In 2025, the market niche that the Group targeted was characterised less by explosive volume growth and more by “fewer, stickier” institutional relationships built on trust, compliance and demonstrable risk-management outcomes. Tight regulation and slower growth in retail credit acted as clear headwinds for transaction-driven expansion, but they also raised barriers to entry and can favour established platforms with mature models, proven integration track records and secure cloud infrastructure.

Against this backdrop, the Company's strategic emphasis on strengthening its SaaS/PaaS architecture, enhancing AI-driven risk-decision capabilities and aligning with evolving data-security expectations positions it as a specialised data-intelligence enabler to the financial sector rather than a generic fintech tool provider. The Group achieved a revenue of approximately RMB79,186,000 for the year ended 31 December 2025 from its big data business. Reaffirming a strategic focus on core big data and data intelligence services, the Group exited its third-party payment business in June 2025.

Looking into 2026, Chinese financial institutions continue to demand compliant, AI driven risk models and cloud based risk platforms, but are more cautious about technology spending budgets, prioritising efficiency and ROI in core risk and customer management use cases, while new loan industry rules such as the Personal Loan Management Measures have raised compliance costs and tightened profitability for consumer credit providers, keeping overall retail credit growth subdued and pressuring the volume oriented parts of the big data risk tech market. At the same time, China's broader fintech market is still projected to grow at a mid teens compound annual rate through 2027, with AI and data intelligence infrastructure remaining a key driver, supporting long term demand for the Group's big data services. Management's stated goal is to shift the Group's big data business from “scale driven” to value driven, by strengthening its SaaS/PaaS architecture, AI driven decision middleware, and multi modal data fusion engines, while deepening relationships with its existing and potential clients and horizontally expanding its customer base, with competitive advantage increasingly dependent on model quality and scenario depth (such as pre loan screening, existing customer value mining, and digital operations), robust data governance and cybersecurity compliance, and the ability to meet tougher regulatory expectations on data protection and AI model risk management.

Biographical Details in Respect of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Gu Zhong Li (“Mr. Gu”), aged 39, was appointed as an executive director of the Company on 15 July 2021 and chairman of the Company on 30 July 2021. Mr. Gu obtained a bachelor’s degree in Applied Math from Zhejiang University in 2009 and a master’s degree in International Management from Bocconi University in 2012. Mr. Gu has over 10 years’ experience in the finance industry. Mr. Gu joined Shanghai Rural Commercial Bank from 2012 to 2016. Mr. Gu won the title of Shanghai Young Expert* (上海市青年崗位能手) in 2017. From 2017 to 2018, Mr. Gu worked at Orient Hongtai (Shanghai) Investment Management Co., Ltd* (東方弘泰(上海)投資管理有限公司) and at Orient Securities Capital Investment Co., Ltd. From 2018 to 2020, Mr. Gu co-founded Beijing Xiyi Assets Management Co., Ltd. as the Managing Director, taking charge of multiple investments in web-security and health-care industries. In June 2020, Mr. Gu joined Lian Yang Guo Rong (Beijing) Science and Technology Co., Ltd.* (聯洋國融(北京)科技有限公司), a subsidiary of the Company as Vice President and Chief Financial Officer and is mainly in charge of the investment, financing and insurance business development.

Mr. Li Yunjiu (“Mr. Li”), aged 53, was appointed as an executive Director and the Vice President of the Company on 14 February 2025. Mr. Li graduated from Xiamen University with a master’s degree in business administration in June 2017. Mr. Li has over 30 years of work experience, involving various industries and companies such as industrial manufacturing enterprises, transportation and logistics, manufacturing, processing and trading enterprises, real estate development, and conglomerates. He has been a vice president at Xindongsen Holdings Limited* (鑫東森控股有限公司) since January 2024. From June 2017 to December 2023, he served as the general manager at Yong Hong Group Investment Management Limited* (永鴻集團投資管理有限公司). He also served as the deputy general manager at Fuzhou Longcheng Industrial Co., Ltd.* (福州隆誠實業有限公司) from October 2012 to May 2017. Mr. Li is currently the independent non-executive director of New Sparkle Roll International Group Limited, a company listed on the Stock Exchange (stock code: 970) since June 2025.

Mr. Jin Peiyi (“Mr. Jin”), aged 40, was appointed as an executive director of the Company on 30 July 2021. Mr. Jin, obtained a master’s degree in International Hospitality and Hotel Management from University of Western Sydney, Australia in 2011. Mr. Jin started his career as a cofounder at Australia Health World Pty, Ltd from 2011 to 2013. Mr. Jin has been the CEO of Shanghai Office Real Estate Management Co, Ltd since 2014 and the CEO of Shanghai Trust & Moral Investment Management Co, Ltd since 2016. Mr. Jin has been a director of Shanghai St. Office Medical Equipment Co, Ltd since 2009 and a director of Shanghai Shengheng Capital Funding Co, Ltd since 2013.

NON-EXECUTIVE DIRECTORS

Mr. Sze Siu Ming (“Mr. Sze SM”), aged 54, was appointed as a non-executive Director of the Company on 27 June 2024. Mr. Sze SM is a Hong Kong enterpriser and real estate entrepreneur. He operated Jian Sheng Printing Co., Ltd. in Hong Kong in 1992, which has developed into one of the professional label printing bases with scale and innovation through continuous progress and innovation since its establishment. He is also the founder of Shanghai Hanyu Property Consultant Co., Ltd.* (上海漢宇房地產顧問有限公司), which was established in Shanghai in 2004 and has since then become a well-known professional real estate service provider in Shanghai.

* English translation of name is for identification purpose only

Biographical Details in Respect of Directors and Senior Management

Mr. Sze Ka Ho (“Mr. Sze KH”), aged 33, was appointed as a non-executive Director of the Company on 6 September 2024. Mr. Sze KH obtained his bachelor’s degree in Business Administration with a specialization in Economics and Operations Management from the Hong Kong University of Science and Technology in 2016. From August 2016 to July 2019, Mr. Sze KH was a relationship manager in the Bank of China (Hong Kong) Limited, where he further honed his skills and knowledge in the financial sector.

Mr. Sze KH is the son of Mr. Sze Ching Lau (“Mr. Sze’s Father”). Mr. Sze’s Father was one of the substantial shareholders of the Company. Based on the information provided by Mr. Sze KH and available in the Stock Exchange’s Disclosure of Interests Online (DION) System, the shareholding of Mr. Sze’s Father in the Company was approximately 21.09% (224,676,000 shares) of the existing issued shares of the Company as at 31 December 2025 and decreased to approximately 4.66% (49,676,000 shares) on 13 January 2026.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Xu Yanqiong (“Ms. Xu”), aged 39, was appointed as an independent non-executive director of the Company on 28 December 2021. Ms. Xu obtained a master’s degree of Accounting from Macquarie University, Australia, in 2015. Ms. Xu has over 13 years of professional experience in financial management. Ms. Xu was Finance Director of Sydney Bargo Shell Pty Ltd from 2017 to 2020 and was the Finance Business Partner of Sealord Australia Pty Limited from March 2021 to September 2021. She is a member of CPA Australia.

Ms. Yung Hoi Yan, JP (“Ms. Yung”), aged 48, was appointed as an independent non-executive Director of the Company on 27 June 2024. Ms. Yung obtained a Juris Doctor and a Postgraduate Certificate in Laws from the City University of Hong Kong in 2006 and 2007, respectively. Ms. Yung has been practicing as a barrister in Hong Kong since 2008. Ms. Yung has also been a practicing Greater Bay Area Lawyer since 2022 with King & Wood Mallesons (Guangzhou). Ms. Yung has been a member of the Legislative Council for the Hong Kong Special Administrative Region of the People’s Republic of China since 2016, representing the New Territories East constituency. Ms. Yung was re-elected as a member of the Legislative Council for the Hong Kong Special Administrative Region of the People’s Republic of China in 2021, representing the Election Committee constituency. Ms. Yung was appointed as a member of board of directors of the Hong Kong Science and Technology Parks Corporation on 1 July 2024. Ms. Yung was appointed to be the independent non-executive director of Kingboard Laminates Holdings Limited, a company listed on the Stock Exchange (stock code: 1888) on 31 December 2025. Ms. Yung graduated from the University of British Columbia, Canada, in 2001 with a Bachelor of Science degree majoring in Computer Science. After graduation, Ms. Yung worked as a research assistant at the University of British Columbia, Canada, focusing on big data analysis, library information management research. Ms. Yung is a Community Relations Director of China Resources Building Materials Technology Holdings Limited, a company listed on the Stock Exchange (stock code: 1313). Ms. Yung actively involves in public affairs. She is a member of the Committee on Innovation, Technology and Industry Development. Ms. Yung was appointed as Justice of the Peace in Hong Kong in 2019. Ms. Yung is currently a member of the Shanghai Committee of the Chinese People’s Political Consultative Conference and the vice-president of the New People’s Party in Hong Kong.

Biographical Details in Respect of Directors and Senior Management

Mr. So Ching Tung, JP (“Mr. So”), aged 52, was appointed as an independent non-executive Director of the Company on 6 September 2024. With more than 20 years of experience in corporate management and financial investment, he has participated in multiple corporate IPO financing projects where he gained ample experience in financial investment, corporate operation, project management and operation, and financial risk management. He is currently the chairman of the board of a financial investment company. Mr. So is currently the independent non-executive director of Labixiaoxin Snacks Group Limited, a company listed on the Stock Exchange (stock code: 1262) since December 2024.

Mr. So is a member of the fourteenth National Committee of the Chinese People’s Political Consultative Conference, a member of the National Committee for Economic Affairs and a standing member of The Chinese People’s Political Consultative Conference, Fujian Provincial Committee. Mr. So is also a member of the Election Committee of the HKSAR. Mr. So was appointed as a justice of the peace by the HKSAR in 2021 in recognition of his social contributions.

SENIOR MANAGEMENT

Various businesses of the Group are respectively under the direct responsibility of the Executive Directors, as named above. Only the Executive Directors are regarded as members of the Group’s senior management.

DISCLOSURE OF CHANGES IN DIRECTORS’ INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Upon specific inquiry by the Company and based on the confirmations from Directors, except as disclosed hereunder, there is no change in information for any of the Directors which would require disclosure pursuant to Rule 13.51B(1) of the Listing Rules during the year ended 31 December 2025 and up to the date of this report.

Mr. Li Yunjiu was appointed to be the independent non-executive director of New Sparkle Roll International Group Limited, a company listed on the Stock Exchange (stock code: 970) in June 2025.

Mr. Sze Ka Ho resigned as the non-executive director of New Sparkle Roll International Group Limited, a company listed on the Stock Exchange (stock code: 970) in June 2025.

Ms. Yung Hoi Yan, JP was appointed to be the independent non-executive director of Kingboard Laminates Holdings Limited, a company listed on the Stock Exchange (stock code: 1888) in December 2025. Ms. Yung’s term of appointment as member of the ICAC Complaints Committee and member of the Lantau Development Advisory Committee expired in December 2025 and January 2026 respectively.

Directors' Report

The board (the “Board”) of directors (the “Directors”) of Pan Asia Data Holdings Inc. (the “Company” and together with its subsidiaries collectively referred to as the “Group”) present their annual report together with the audited consolidated financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 42 to the consolidated financial statements. Details and analyses of the main business segments of the Group during the year are set out in note 5 to the consolidated financial statements. In addition, discussions on the Group’s environmental policies and performance and the Group’s key relationships with its employees, customers, suppliers and others that have a significant impact on the Group’s success are provided in the Environmental, Social and Governance Report accompanying of this annual report.

As far as the Board and the management are aware, save for the non-compliance with chapter 14 of the Listing Rules as disclosed in the announcements of the Company published on 22 August 2025 and 12 January 2026, the Group has, in all material aspects, complied with the laws and regulations that are applicable to its business operations during the year. The relevant laws and regulations that have a significant impact on the Company include, among others, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Securities and Futures Ordinance, the Companies Law of the Cayman Islands and the laws and regulations in relation to its business including those relating to environmental protection, production safety, product quality, labour contracts, employee benefits, foreign exchange, taxation and intellectual property rights.

Further discussion and analysis as required by the Listing Rules can be found in the section headed “Management Discussion and Analysis” in this annual report. The financial risk management objectives and policies of the Group can be found in note 39 to the consolidated financial statements.

MAJOR RISKS AND UNCERTAINTIES

The Directors are aware that the Group’s financial position, operating results and business outlook may be subject to many risks and uncertainties directly or indirectly relating to the business of the Group, and have put in place the relevant policies to ensure continuous identification and management of the adverse impacts such risks might have on the Group. The major risks and uncertainties currently facing by the Group are set out below:

Business Risk

Most of the operating assets of the Group are located in the PRC and the Group expects that a majority of the turnover will continue to be derived from the operations in the PRC. The results of operations and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC. The economy of the PRC differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, the growth rate, and government control of foreign exchange. The Group cannot predict whether changes in the PRC’s political, economic and social conditions, laws, regulations and policies will have any material adverse effect on the current or future business, results of operation or financial condition of the Group.

Directors' Report

Foreign Currency Risk

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pay to shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Financial Risk

The financial risk management of the Group are set out in note 39 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 44 and 45.

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

The Board aims to not only deliver continuous returns to the shareholders but also maintain sufficient reserves for the Group's future development. Pursuant to the dividend policy of the Company ("Dividend Policy"), the Board will consider various factors in determining whether to declare recommend any dividend and the amount of the relevant dividend, including but not limited to (i) the actual and expected financial results and financial position of the Group; (ii) the expected working capital requirements, capital expenditure requirements and future expansion plans of the Group; (iii) the actual and future operation and liquidity position of the Group; (iv) the Group's debt-to-equity ratio, equity return ratio and committed financial covenants; (v) the general economic and political conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and (vi) any other factors that the Board deems appropriate.

The Company reviews the Dividend Policy from time to time and there is no assurance that dividends will be paid in any particular amount at all for any given period. The payment of dividends is also subject to the requirements of the laws of the Cayman Islands and the memorandum and articles of association (the "Articles of Association") of the Company.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 48 and note 39 to the consolidated financial statements.

As at 31 December 2025, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$98,154,000 (2024: HK\$109,286,000).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 130 of this annual report.

Directors' Report

FIXED ASSETS

Details of movements in the property, plant and equipment, right-of-use assets and intangible assets of the Group during the year are set out in notes 16, 17 and 18 to the consolidated financial statements, respectively.

CONVERTIBLE BONDS

On 22 December 2021, the Company issued a total amount of HK\$46 million convertible bonds in Hong Kong with a coupon rate of 6.0% per annum and a maturity of 18 months, attached to which are options for holders to convert the whole or any part thereof into new ordinary shares of HK\$0.01 each in the share capital of the Company (the "Share(s)") at the conversion price of HK\$2.40 per Share. For details, please refer to note 29 to the consolidated financial statements.

BORROWINGS

Details of the Group's borrowings are set out in note 28 to the consolidated financial statements.

SHARE CAPITAL

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

DIRECTORS AND SERVICE CONTRACTS

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

Executive Directors:

Mr. Gu Zhongli (*Chairman*)
Dr. Wang Bangyi (resigned on 23 July 2025)
Mr. Li Yunjiu (appointed on 14 February 2025)
Mr. Jin Peiyi

Non-executive Directors:

Mr. Sze Siu Ming
Mr. Sze Ka Ho

Independent Non-executive Directors:

Ms. Xu Yanqiong
Ms. Yung Hoi Yan, *JP*
Mr. So Ching Tung, *JP*

In accordance with Article 84 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

Directors' Report

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years, and it will continue thereafter until terminated by either party thereto giving to the other not less than one month's prior notice in writing.

The non-executive Director has entered into letter of appointment with the Company for a term of two years, and it will continue thereafter until terminated by either party thereto giving to the other not less than one month's prior notice in writing.

Each of the independent non-executive Directors has entered into letter of appointment with the Company for a term of two years, and it will continue thereafter until terminated by either party thereto giving to the other not less than one month's prior notice in writing.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the Directors are set out on pages 10 to 12 of this annual report.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had any interest in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly with the Group's business at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Directors' Report

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2025, the interests of the Directors and the chief executive of the Company and their associates 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, Hong Kong (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Interests in the shares of the Company

Name of Director	Type of interest	Number of shares held/interested		Percentage of interest
		Personal interests	Total	
Mr. Sze Siu Ming	Long position	23,077,777	23,077,777	2.17%

Save as disclosed above, as at 31 December 2025, none of the Directors, or the chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 30 June 2021 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The numbers of options available for grant under the Share Option Scheme on 1 January 2025 and 31 December 2025 are 47,648,366. There is no option granted during the year ended 31 December 2025.

1. Purposes

The purposes of the Share Option Scheme are: (a) to attract and retain best available personnel; (b) to provide incentives to the participants for their contributions to the Group; and (c) to promote the success of the business of the Group.

2. Participants and determination of eligibility

The Board may, at its sole discretion, offer to grant any options to any full-time or part-time employees, directors (including executive, non-executive and independent non-executive directors), shareholders, consultants or advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of any member of the Group.

The eligibility of any participant to the grant of any option shall be determined by the Board (or where required under the Listing Rules, by the independent non-executive Directors) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of the Group.

Directors' Report

3. Duration and Administration

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered or granted but the options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme. Save as aforesaid, the Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on 30 June 2021 (the "Adoption Date") and shall expire at the close of business on 29 June 2031, after which no further options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with the terms of the Share Option Scheme.

The Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the rules of the Share Option Scheme) shall be final and binding on all parties to the Share Option Scheme.

4. Grant of options

On and subject to the terms of the Share Option Scheme and the Listing Rules, the Board shall be entitled at any time within ten (10) years from the Adoption Date to make any offer (subject to such conditions as the Board may think fit) to any participant as the Board may in its absolute discretion select to take up an option pursuant to which such participant may, during the option period, subscribe for such number of Shares as the Board may determine at the subscription price. An offer must be accepted within seven (7) days from and including the offer date or otherwise it shall be deemed declined by the participant in question. The amount payable to the Company by a participant on acceptance of an Offer is HK\$1.00.

5. Subscription price

The subscription price shall be a price solely determined by the Board and notified to the participant and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the offer date; and (c) the nominal value of a Share.

6. Maximum number of shares

(A) Subject to sub-sections (B) and (C) below, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date. Options lapsed in accordance with the terms of the Share Option Scheme or any other schemes of the Company will not be counted for the purpose of calculating the 10% limit.

Directors' Report

- (B) The Company may at any time seek approval by the shareholders in general meeting for refreshing the 10% limit mentioned in sub-section (A) above, provided that the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the refreshed limit must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme or any other schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other schemes of the Company or any exercised options) will not be counted for the purpose of calculating the refreshed 10% limit.
- (C) The Company may seek separate approval by the shareholders in general meeting for granting options beyond the 10% limit stated in sub-sections (A) and (B) provided that the options in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought.
- (D) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company shall not exceed 30% of the Shares in issue from time to time. No options for Shares may be granted under the Share Option Scheme or any other schemes of the Company if this will result in the limit being exceeded.

7. Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any twelve (12) month period must not exceed 1% of the Shares in issue. Any further grant of options to a participant which would result in the aforesaid 1% limit being exceeded must be separately approved by the shareholders in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. In seeking the shareholders' approval, the Company must send a circular to the shareholders disclosing the identity of the participant, the number and terms of the options to be granted (and the options previously granted to such participant) and all other information and the disclaimer required under the Listing Rules. The number and terms (including the subscription price) must be fixed before the shareholders' approval.

8. Exercise of options

An option may be exercised, in whole or in part, by the grantee in accordance with the terms of the Share Option Scheme during the option period as determined by the Board, which shall not exceed ten (10) years from the offer date.

Unless otherwise determined by the Board, there is no minimum period for which an option must be held before it can be exercised nor is there any performance targets that must be achieved before an option can be exercised.

The Company shall comply with the relevant Listing Rules when granting options. If options are granted to the directors or substantial shareholders of the Group, such grant shall constitute connected transactions under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules unless and to the extent the awards are exempt under Chapter 17 of the Listing Rules.

Directors' Report

The followings are details of the options granted pursuant to the Share Option Scheme but not yet exercised as at 31 December 2025:

Grantee(s)	Date of grant	Number of share options					As at 31 December 2025	Exercise Price HK\$	Approximate % of shareholding upon full exercise of share options Note (i)
		As at 1 January 2025	Granted	During the reporting period		Lapsed			
				Exercised	Cancelled				
Employees of the Group	27 July 2021	6,600,000	-	-	-	-	6,600,000	2.056	0.61%
Consultants of the Group	27 July 2021	10,000,000	-	-	-	-	10,000,000	2.056	0.92%
Former Director of the Group	27 July 2021	740,000	-	-	-	(740,000)	-	2.056	-
Total		17,340,000	-	-	-	(740,000)	16,600,000		1.53%

Notes:

- (i) The percentage represents the number of underlying shares interested divided by the enlarged issue share capital of the Company as at 31 December 2025, assuming all the outstanding share options are exercised.
- (ii) The exercise period of the outstanding options is from the date of grant (i.e. 27 July 2021) to 26 July 2030, both dates inclusive. There is no vesting period for the share options as at 31 December 2025, and all of the share options have been fully vested to the grantees on 27 July 2021, being the date of grant.
- (iii) The closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet immediately before the date on which the outstanding options were granted (i.e. 26 July 2021) is HK\$2.08.

Save as disclosed above, during the year ended 31 December 2025 and up to the date of this annual report, no other options were granted under the Share Option Scheme.

As at the date of this annual report, the total number of shares available for issue under the Share Option Scheme is 57,648,366 shares, representing 5.41% of the shares of the Company in issue (excluding treasury shares).

EQUITY-LINKED AGREEMENTS

Other than the Share Award Scheme and the Share Option Scheme, no equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

Directors' Report

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the following parties had interests or short positions in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Interests or short positions in the shares of the Company

Name	Type of interest	Capacity/Nature	Number of Shares held/interested	Percentage of interest
Mr. Sze Ching Lau	Long position	Beneficial owner	224,676,000	21.09%
Lian Yang Investment Limited	Long position	Beneficial owner	76,092,789	7.14%

Notes:

(1) As of 31 December 2025, the Company's total number of issued shares was 1,065,454,100.

Save as disclosed above, as at 31 December 2025, there were no other parties who had interests or short positions in the shares or underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered by the Group during the year ended 31 December 2025, which did not constitute connected transactions under the Listing Rules, are disclosed in note 34 to the consolidated financial statements.

PERMITTED INDEMNITY

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against the Directors and officers.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the aggregate amount of revenue attributable to the Group's five largest customers was approximately 45.81% of the Group's total revenue and the Group's largest customer accounted for approximately 13.00% of the Group's total revenue. During the year ended 31 December 2025, the aggregate amount of purchases attributable to the five largest suppliers was approximately 52.13% of the Group's total cost of sales and the Group's largest suppliers accounted for approximately 20.11% of the Group's total cost of sales. None of the directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the number of issued shares of the Company) had any beneficial interests in the Group's five largest customers and suppliers.

Directors' Report

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report and the announcements which have been published on the Stock Exchange and the Company's website, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this directors' report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-executive Directors are independent.

EMOLUMENT POLICY

The emolument policy of the general staff of the Group is that the management of the Group decides emoluments for staff on the basis of their respective merit, qualifications and competence.

The emoluments of the Directors and senior management of the Company are decided by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and so far as within the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules.

DONATIONS

During the year, the Group made donations amounting to approximately HK\$Nil (2024: HK\$Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report (including but not limited to note 41 to the consolidated financial statements) and the announcements which have been published on the Stock Exchange and the Company's website, no significant event affecting the Group had occurred subsequent to 31 December 2025 and up to the date of this directors' report.

Directors' Report

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Baker Tilly Hong Kong Limited.

The term of the Company's external auditor shall last until the next annual general meeting. Subsequently, the external auditors will retire and propose the election/re-election of the auditors at the annual general meeting of the Company in accordance with the Articles of Association. There has been no change in the auditor of the Company during the past three years.

On behalf of the Board

Pan Asia Data Holdings Inc.

Gu Zhongli

Chairman

Hong Kong, 31 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The board of directors (the “Board”) of Pan Asia Data Holdings Inc. (the “Company”) and together with its subsidiaries collectively referred to as the (“Group”) believes that good corporate governance is essential to the success of the Company and the enhancement of shareholders’ value. Accordingly, the Company has adopted various measures to ensure that a high standard of corporate governance is maintained.

To the best knowledge of the Board, throughout the year ended 31 December 2025, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as listed out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), save for the code provision C.2.1 of the CG Code as described below. The current practices will be reviewed and continuously updated.

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the resignation of Dr. Wang Bangyi as the Chief Executive Officer on 23 July 2025, the Company does not have any officer with the title of “chief executive officer”. Mr. Gu Zhongli has been appointed as the Chairman of the Board (the “Chairman”) and is responsible for formulation of corporate strategy, overseeing the management of the Group and business development. The Chairman also takes the lead to ensure that the Board works effectively and acts in the best interest of the Company by encouraging the Directors to make active contributions to the Board’s affairs and promoting a culture of openness and debate. The daily operation and management of the Company is monitored by the executive Directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is struck by the openness and cooperation spirit of the senior management and the Board, which comprises experienced and high-calibre individuals who meet from time to time to discuss issues affecting operation of the Company and the Group. The structure is supported by the Company’s well-established corporate governance structure and internal control policies. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstance arise.

The code provision F.1.3 of the CG Code stipulates that the chairman of the board of directors should attend the annual general meeting and respond to relevant questions raised by shareholders. Mr. Gu Zhongli, the Chairman, was unable to attend the annual general meeting of the Company held on 16 June 2025 due to unavoidable scheduling conflicts arising from other pressing business commitments. To ensure shareholders’ questions were adequately addressed, other members of the Board and senior management were present to respond on behalf of the Chairman.

Corporate Governance Report

CORPORATE CULTURE

The Group recognises that a good corporate culture is vital to its corporate governance and has gradually developed a pragmatic and prudent corporate culture since its establishment, which has been reflected in the overall operations and management of the Group, in order to facilitate the long-term sustainability of the Group. The Group makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices. In order to establish a healthy corporate culture and promote high ethical standards within the Group, the Group has established an anticorruption policy and an whistle-blowing policy, which set outs, including but not limited to, (i) the types of breaches and conduct issues, and the personnel to which the policies apply; (ii) declaration of conflicting interests mechanisms; (iii) responsibilities of the relevant department(s) of the Group; (iv) consequences for breaching the relevant policies; and (v) whistle-blowing policy, with an aim to encourage our employees to report behaviour that is not in line with the principles of ethics and the Group's policy such as events that are non-compliant with the Group's policy, laws, rules, regulations, general practice of financial reporting and internal control.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding Directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"). A copy of the Model Code was sent to each Director and the relevant employees of the Group who are required to comply with the Model Code. Enquiries have been made to the Directors and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

BOARD OF DIRECTORS

The Board currently comprises eight Directors in total, with three Executive Directors, two Non-executive Directors and three Independent Non-executive Directors.

The composition of the Board during the year under review and up to the date of this annual report is set out as follows:

Executive Directors:

Mr. Gu Zhongli (*Chairman*)

Dr. Wang Bangyi (*Chief Executive Officer*) (resigned on 23 July 2025)

Mr. Li Yunjiu (appointed on 14 February 2025)

Mr. Jin Peiyi

Non-executive Directors:

Mr. Sze Siu Ming

Mr. Sze Ka Ho

Independent Non-executive Directors:

Ms. Xu Yanqiong

Ms. Yung Hoi Yan, *JP*

Mr. So Ching Tung, *JP*

Corporate Governance Report

Mr. Sze Siu Ming has on 27 June 2024 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that he understood his obligations as a Director of the Company.

Ms. Yung Hoi Yan, *JP* has on 27 June 2024 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that she understood her obligations as a Director of the Company.

Mr. Sze Ka Ho has on 6 September 2024 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that he understood his obligations as a Director of the Company.

Mr. So Ching Tung, *JP* has on 6 September 2024 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that he understood his obligations as a Director of the Company.

Mr. Li Yunjiu has on 14 February 2025 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has confirmed that he understood his obligations as a Director of the Company.

The Board members have no financial, business, family or other material/relevant relationships with one another. Such balanced Board composition is formed to ensure strong independence exists across the Board.

Throughout the year and up to the date of this annual report, at least one-third in number of the Board's members comprised Independent Non-executive Directors under Rule 3.10A of the Listing Rules and at least one of the Independent Non-executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise as referred to in Rule 3.10 of the Listing Rules.

The Board has received from each Independent Non-executive Director an annual confirmation of his or her independence and considers that all the Independent Non-executive Directors are independent under the guidelines set out in Rule 3.13 of the Listing Rules. The biographical details of the Directors are set out in the section headed "Biographical Details in Respect of Directors and Senior Management" of this annual report.

Corporate Governance Report

During the year, nine Board meetings were held and the attendance of each Director at the Board meetings is set out as follows:

Directors	Attendance/ number of Board meetings held during tenure	Attendance rate
Executive Directors		
Mr. Gu Zhongli (<i>Chairman</i>)	9/9	100%
Dr. Wang Bangyi (<i>Chief executive officer</i>) (resigned on 23 July 2025)	4/4	100%
Mr. Li Yunjiu (appointed on 14 February 2025)	8/8	100%
Mr. Jin Peiyi	8/9	89%
Non-executive Directors:		
Mr. Sze Siu Ming	9/9	100%
Mr. Sze Ka Ho	9/9	100%
Independent Non-executive Directors:		
Ms. Xu Yanqiong	8/9	89%
Ms. Yung Hoi Yan, <i>JP</i>	9/9	100%
Mr. So Ching Tung, <i>JP</i>	7/9	78%

An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. The company secretary of the Company (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 Board meetings and meetings of Board committees, which record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the Company Secretary and are open for inspection by Directors.

Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required. The Company Secretary continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc. whilst managing the Group's business is the responsibility of the management of the Group (the "Management").

Corporate Governance Report

When the Board delegates aspects of its management and administration functions to the Management, it has given clear directions as to the powers of the Management, in particular with respect to the circumstances where the Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Chairman met with the Non-executive Directors (including the Non-executive Directors and the Independent Non-executive Directors) without the presence of Executive Directors during the year.

Directors' Training

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

As part of an ongoing process of directors' training, the Company Secretary continuously updates all Directors on latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance of the same by all Directors. Directors are encouraged to attend external forum or training courses on relevant topics which may count towards continuous professional development training to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year, all Directors have participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group under code provision C.1.8 of the CG Code.

Appointment and Re-election of Directors

Each of the Executive Directors has entered into a service contract with the Company and each of the Non-executive Directors and each of the Independent Non-executive Directors has entered into a letter of appointment with the Company and is appointed for a specific term, subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company (the "AGM") in accordance with the articles of association of the Company (the "Articles of Association"). Any new Director appointed by the Board to fill a casual vacancy shall be subject to re-election by shareholders at the next following AGM after appointment.

Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

Corporate Governance Report

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Currently, among all eight members of the Board, two are females (i.e. Ms. Xu Yanqiong and Ms. Yung Hoi Yan, *JP*). Given the current composition of the Board, the Nomination Committee is of the view that the diversity level of the Board is appropriate in terms of gender, knowledge, experience and skills of the directors.

Gender Diversity of Senior Management and Employees

To achieve diversity at workforce level, the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates are considered and ensure that gender diversity is taken into account when recruiting staff members of mid to senior level. During the year under review, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

As at 31 December 2025, the Group had 20 female employees, accounting for 29.9% of total employees, and 47 male employees, accounting for 70.1% of total employees. The gender ratio of male to female in the workforce of the Group was approximately 70:30. The Company considers that it has met the objective in gender diversity to achieve gender balance in key roles.

Dividend Policy

Subject to the results of the Group's operations, financial condition and position as well as other factors the Board may consider appropriate, dividends may be recommended or declared and paid.

Corporate Governance Function

The Board has adopted written terms of reference for its corporate governance function so as to assist the Board in supervising the management of the business and offices of the Group. During the year, the Board has performed the corporate governance duties in accordance with its terms of reference.

The duties of the Board in respect of corporate governance function are summarised as follows:

- (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) to review the Company's compliance with the code provisions as set out in the CG Code and its disclosure requirements in the corporate governance report.

Corporate Governance Report

BOARD COMMITTEES

The Board has established various committees to assist it in carrying out its responsibilities. There are three Board Committees, being the Remuneration Committee, Nomination Committee and Audit Committee to oversee particular aspects of the Group's affairs. Each of the committees has defined terms of reference setting out its duties, powers and functions. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed.

Remuneration Committee

The Remuneration Committee was established on 6 November 2015 with written terms of reference revised on 30 December 2022. The terms of reference of the Remuneration Committee are available on the website of the Stock Exchange and that of the Company at <http://www.irasia.com/listco/hk/pad/>.

The Remuneration Committee currently comprises three members including one Executive Director, namely Mr. Gu Zhongli, and two Independent Non-executive Directors, namely Ms. Xu Yanqiong and Ms. Yung Hoi Yan, *JP*. The Chairman of the Remuneration Committee is Ms. Xu Yanqiong. The composition of the Remuneration Committee complies with the requirements as set out in Rule 3.25 of the Listing Rules that a majority of the members of the Remuneration Committee should be Independent Non-executive Directors and chaired by an Independent Non-executive Director.

During the year, two meeting was held and the attendance of each member at the meeting is set out as follows:

Name of members	Attendance/ number of Remuneration Committee meetings held during tenure	Attendance rate
Ms. Xu Yanqiong (<i>Chairman of the Remuneration Committee</i>)	1/2	50%
Mr. Gu Zhongli	2/2	100%
Ms. Yung Hoi Yan, <i>JP</i>	2/2	100%

The remuneration policy of the Group is to ensure all its employees are remunerated in line with market terms and individual performance.

The major roles and functions of the Remuneration Committee are as follows:

- (i) to review annually and recommend to the Board the overall remuneration policy and structure for the Directors and senior management;
- (ii) to review annually the performance of the Executive Directors and senior management and recommend to the Board specific adjustments in remuneration and/or reward payments;

Corporate Governance Report

- (iii) to review and recommend the compensation payable to Executive Directors relating to any loss or termination of their office or appointment;
- (iv) to review and recommend compensation arrangements relating to dismissal or removal of Directors for misconduct;
- (v) to be responsible for establishing formal and transparent procedures for developing remuneration policy and structure to ensure no Director or any of his associates is involved in deciding his own remuneration; and
- (vi) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee has adopted the model that it will review the proposals made by the Management on the remuneration of Executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Pursuant to the code provision E.1.5 of the CG Code, the annual remuneration of the member of the senior management by band for the year ended 31 December 2025 is set out below:

Remuneration	Number of individuals
Nil to HK\$1,000,000	3
HK\$1,000,001 to HK\$1,500,000	1
HK\$1,500,001 to HK\$2,000,000	–

Nomination Committee

The Nomination Committee was established on 6 November 2015 with written terms of reference revised on 5 December 2018. The terms of reference of the Nomination Committee are available on the website of the Stock Exchange and that of the Company at <http://www.irasia.com/listco/hk/pad/>.

The Nomination Committee currently comprises three members including one Executive Director, namely Mr. Gu Zhongli, and two Independent Non-executive Directors, namely Ms. Yung Hoi Yan, *JP* and Ms. Xu Yanqiong. The Chairman of the Nomination Committee is Ms. Yung Hoi Yan, *JP*.

Corporate Governance Report

Meetings of the Nomination Committee shall be held at least once a year. During the year, two meeting was held and the attendance of each member at the meeting is set out as follows:

Name of members	Attendance/ number of Nomination Committee meetings held during tenure	Attendance rate
Ms. Yung Hoi Yan, <i>JP (Chairman of the Nomination Committee)</i>	2/2	100%
Mr. Gu Zhongli	2/2	100%
Ms. Xu Yanqiong	1/2	50%

The Nomination Committee is responsible for formulating nomination policies for the Board's consideration and implementing the Board's approved nomination policy.

The major roles and functions of the Nomination Committee are as follows:

- (i) to review and monitor the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify and nominate individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) to assess the independence of Independent Non-executive Directors;
- (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman; and
- (v) to review and monitor policy concerning diversity of Board members and make recommendations on any proposed changes to the Board.

Corporate Governance Report

Audit Committee

The Audit Committee was established on 6 November 2015 with written terms of reference. The terms of reference of the Audit Committee are available on the website of the Stock Exchange and that of the Company at <http://www.irasia.com/listco/hk/pad/>.

The Audit Committee currently comprises three Independent Non-executive Directors, namely Ms. Xu Yanqiong, Ms. Yung Hoi Yan, *JP* and Mr. So Ching Tung, *JP*. The Chairman of the Audit Committee is Ms. Xu Yanqiong. The composition of the Audit Committee complied with the requirements as set out in Rule 3.21 of the Listing Rules that majority of the members of the Audit Committee should be Independent Non-executive Directors.

The meeting of the Audit Committee shall be held at least twice a year. During the year, two meetings were held and the attendance of each member at the meetings is set out as follows:

Name of members	Attendance/ number of Audit Committee meetings held during tenure	Attendance rate
Ms. Xu Yanqiong (<i>Chairman of the Audit Committee</i>)	2/2	100%
Ms. Yung Hoi Yan, <i>JP</i>	2/2	100%
Mr. So Ching Tung, <i>JP</i>	2/2	100%

During the year, the Audit Committee performed the following works:

- (i) reviewed the financial reports for the year ended 31 December 2024 and for the six months ended 30 June 2025;
- (ii) reviewed the effectiveness of the risk management and the internal control systems;
- (iii) reviewed the external auditor's statutory audit plan and engagement letters;
- (iv) reviewed the management letter from the external auditor in relation to the audit of the Group for the year ended 31 December 2024; and
- (v) reviewed and recommended for approval by the Board the audit scope and fees for the year ended 31 December 2025.

The major roles and functions of the Audit Committee are as follows:

- (i) to consider the appointment, re-appointment and removal of the external auditor, the audit fees, and any questions of resignation or dismissal of the external auditor of the Group;
- (ii) to discuss with the external auditor the nature and scope of the audit;

Corporate Governance Report

- (iii) to review the interim and annual financial statements before submission to the Board;
- (iv) to discuss problems and reservations arising from the interim review and final audit, and any matters the external auditor may wish to discuss;
- (v) to review the external auditor's management letter and management's response; and to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (vi) to review the Group's financial controls, internal controls and risk management systems to ensure that they are appropriate and functioning properly; and
- (vii) to consider any findings of major investigations of internal control and risk management matters and management's responses.

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that the Board procedures are followed and facilitating communications among the Directors as well as with shareholders and management. During the year ended 31 December 2025, Mr. Wong Kin Tak has attended relevant professional training to update his skills and knowledge. He met the training requirements as required under Rule 3.29 of the Listing Rules.

EXTERNAL AUDITOR

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the year ended 31 December 2025.

During the year ended 31 December 2025, the auditor's remuneration in respect of audit services and non-audit services provided by the auditor of the Group charged to the consolidated statement of profit or loss and other comprehensive income amounted to approximately HK\$1,100,000 (2024: HK\$1,300,000) and approximately HK\$780,000 (2024: HK\$950,000), respectively. The non-audit services mainly consist of work on agreed-upon procedures and consulting services in relation to the environmental, social and governance reporting.

RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and a Risk Management Taskforce. The Board is responsible for, and determines, the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted the Risk Management Policy to provide direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

Corporate Governance Report

As the Group has no in-house internal audit function, the Group has engaged an external professional advisor to assist the Board and the Audit Committee in ongoing monitoring of the effectiveness of the risk management and internal control systems of the Group, and ensures that a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries for each financial year will be conducted at least annually. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

The key processes that have been established in reviewing the effectiveness of the risk management and internal control systems include the following:

- a. The Remuneration Committee was established to ensure all the Directors and the senior management of the Group are remunerated in line with market terms and individual performance.
- b. The Audit Committee reviews internal control issues identified by external auditor, external professional advisor, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. To further enhance control awareness, the Group has also approved launching a whistleblowing policy for employees to raise any concerns about possible improprieties in any matter related to the Group.
- c. The corporate reporting functions are delegated to the accounting department in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance practices and compliance with the Listing Rules, the Securities and Futures Ordinance, Hong Kong (the "SFO") and other applicable regulations are delegated to the company secretarial department.
- d. Every newly appointed director is provided with a comprehensive handout detailing the responsibilities and duties of being a director of the Company, in particular highlighting the respective applicable rules and regulations including the Listing Rules, of which a director should aware and be informed on appointment by the Company.

Risk management reports and internal control reports are submitted to the Audit Committee and the Board at least once a year. The Board considers the Group's risk management and internal control systems are effective and adequate.

The risk management and internal control 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.

Corporate Governance Report

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Group complies with requirements of the SFO and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for the preparation of annual reports, interim reports and the consolidated financial statements of the Company that give a true and fair view in accordance with Hong Kong Financial Reporting Standards and the disclosure requirements of the Listing Rules. The statement by the independent auditor about its reporting responsibilities relating to the financial statements for the year ended 31 December 2025 is set out in the Independent Auditor's Report.

SHAREHOLDERS' COMMUNICATION

The Company has established a communication policy with shareholders and external parties and maintains different communication channels with its shareholders through the publication of annual and interim reports, circulars and announcements. During the year ended 31 December 2025, an annual general meeting (the "2025 AGM") and an extraordinary general meeting (the "EGM") were held and the attendance of each Director at each of the general meetings are set out as follows:

Directors	Attendance/ number of 2025 AGM held during tenure	Attendance/ number of EGM held during tenure
Executive Directors		
Mr. Gu Zhongli (<i>Chairman</i>)	0/1	1/1
Dr. Wang Bangyi (<i>Chief executive officer</i>) (resigned on 23 July 2025)	1/1	1/1
Mr. Jin Peiyi	1/1	1/1
Mr. Li Yunjiu	1/1	1/1
Non-executive Director		
Mr. Sze Siu Ming	1/1	1/1
Mr. Sze Ka Ho	1/1	1/1
Independent Non-executive Directors		
Ms. Xu Yanqiong	1/1	1/1
Ms. Yung Hoi Yan, <i>JP</i>	1/1	1/1
Mr. So Ching Tung, <i>JP</i>	1/1	1/1

Corporate Governance Report

The general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. All Directors shall make an effort to attend the general meeting to address queries raised by shareholders. Independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. External auditors are also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

At 2025 AGM, all Directors (including the chairman of each of the Nomination Committee, Remuneration Committee and Audit Committee), except for the Chairman, and external auditor of the Company were present to answer shareholders' questions. Under code provision F.1.3 of the CG Code, the chairman of the board of directors should attend the annual general meeting and respond to relevant questions raised by shareholders. Mr. Gu Zhongli, the Chairman, was unable to attend the annual general meeting of the Company held on 16 June 2025 due to unavoidable scheduling conflicts arising from other pressing business commitments. To ensure shareholders' questions were adequately addressed, other members of the Board and senior management were present to respond on behalf of the Chairman. Separate resolutions are proposed at the general meetings for each substantial issue including the re-election of the retiring Directors.

The Company's EGM and 2025 AGM were held on 16 June 2025 and 30 June 2025 respectively and the notices of EGM and 2025 AGM were sent to shareholders at least 14 days and 21 days prior to the meetings respectively. The chairman of each of the general meetings explained the procedures for conducting a poll again at the beginning of the meeting and revealed the level of proxies voted in respect of each resolution. All shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at the meetings on their behalf if they are unable to attend the meetings.

A notice of the forthcoming AGM will be sent to shareholders at least 21 days before the meeting. An explanation of the detailed procedures for conducting a poll will be provided to the shareholders at the commencement of the meeting. The Chairman will answer any questions from shareholders regarding voting by way of a poll. The poll results will be published in accordance with the requirements of the Listing Rules. All shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at the meetings on their behalf if they are unable to attend the meetings.

SHAREHOLDERS' RIGHTS

Right to put enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Other shareholders' enquiries can be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporation Information section of this Report, for the attention of the Company Secretary.

Right to convene special general meeting

Pursuant to Article 58 of the Articles of Association, an extraordinary general meeting can be convened on the requisition of any one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

Corporate Governance Report

If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must be signed by the requisitionists and deposited at the registered office of the Company at the office of Harneys Fiduciary (Cayman) Limited at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands or the head office and principal place of business of the Company in Hong Kong at 3/F, Yue On Commercial Building, 385-387 Lockhart Road, Wan Chai, Hong Kong for the attention of the Company Secretary.

Right to put forward proposals at general meetings

Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph. Shareholders can also send enquiries and proposals to be forward for shareholders' consideration at shareholders' meetings to the Board in writing to the head office and principal place of business of the Company in Hong Kong at 3/F, Yue On Commercial Building, 385-387 Lockhart Road, Wan Chai, Hong Kong or directly by raising questions at the general meeting of the Company.

INVESTOR RELATIONS

The Company has in place a shareholders' communication policy to ensure that shareholders' views and concerns are appropriately addressed. The Company keeps the shareholders updated on the recent development of the Group from time to time. The Company maintains a website at <http://www.irasia.com/listco/hk/pad/> where information and updates on the list of Directors and their roles and functions, constitutional documents, terms of reference of the Remuneration Committee, the Nomination Committee and the Audit Committee, procedures for nomination of Directors for election, announcements, circulars and reports released to the Stock Exchange and other information are posted. Information on the Company's website will be updated from time to time. The Board considers that the shareholders communication policy is effective during the year ended 31 December 2025 since all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner during the year.

On behalf of the Board

Pan Asia Data Holdings Inc.

Gu Zhongli

Chairman

Hong Kong, 31 March 2026

Independent Auditor's Report



Independent auditor's report to the shareholders of Pan Asia Data Holdings Inc.

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Pan Asia Data Holdings Inc. (the "Company") and its subsidiaries (together the "Group") set out on pages 44 to 129, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing 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.

Material uncertainty related to going concern

We draw your attention to Note 3.1(c) to the consolidated financial statements, which indicates that the Group incurred a net loss from continuing operation of HK\$27,500,000 for year ended 31 December 2025, and, as of that date, the Group had net current liabilities and net liabilities of HK\$49,163,000 and HK\$48,511,000, respectively. These conditions, along with other matters as described in Note 3.1(c) to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

How our audit addressed the key audit matter

Impairment assessment of trade receivables

We identified impairment assessments of trade receivables as a key audit matter due to the involvement of subjective judgements and management estimates in evaluating the expected credit losses ("ECLs") of the Group's trade receivables at the end of the reporting period.

As at 31 December 2025, the carrying value of the Group's trade receivables amounting to HK\$8,943,000 (net of impairment loss amounting to HK\$316,000).

The management of the Group estimates the amount of lifetime ECL of trade receivables individually and based on collective assessment through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of debtors, historical default rates, default rates by external credit agency and forward-looking information of respective trade receivables with the assistance of an independent external valuer (the "External Valuer"). In addition, trade receivables with significant balances and credit-impaired are assessed for ECL individually. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

The related disclosures are disclosed in Notes 4, 22 and 38 to the consolidated financial statements.

Our procedures in relation to impairment assessment of trade receivables included:

- Understanding of key controls on how the management estimates the loss allowance for trade receivables;
- Assessing the competency, capability and objectivity of the External Valuer engaged by management;
- Examining the information used by management to form the collective assessment, including testing the accuracy of the internal credit ratings of debtors, historical default rates, and default rates by external credit agency, on a sample basis;
- For trade receivables assessed on a collective basis, checking the appropriateness of classification, on a sample basis;
- Evaluating whether the loss rates are appropriately adjusted based on the forward-looking information by comparing the data used by management to another international rating agency; and
- For trade receivables assessed on an individual basis, evaluating the appropriateness of the methodology and reasonableness of the ECL rates by examining the historical loss data and whether the ECL rates are appropriately adjusted based on current market conditions and forward-looking information.

Independent Auditor's Report

Other information

The directors of the Company are responsible for other information. The other information comprises 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of 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.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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 Chau Fong, Lily.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 31 March 2026

Chau Fong, Lily

Practising certificate number P080900

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000 (Restated) <i>(Note 1)</i>
Continuing operation			
Revenue	5	79,186	167,673
Cost of sales		(70,923)	(66,356)
Gross profit		8,263	101,317
Other income	6	539	1,421
Other gains and losses, net	7	37,439	25,184
Impairment losses recognised on non-financial assets	11	(21,741)	(357,606)
Impairment losses under expected credit loss model, net of reversal	8	(4,490)	(4,941)
Distribution and selling expenses		(11,801)	(38,787)
Administrative expenses		(15,923)	(51,755)
Research and development expenses		(17,051)	(35,031)
Finance costs	9	(6,167)	(6,390)
Loss before taxation	11	(30,932)	(366,588)
Income tax credit	12	3,432	10,773
Loss for the year from continuing operation		(27,500)	(355,815)
Discontinued operation			
Profit/(loss) for the year from discontinued operation	13	4,897	(140,555)
Loss for the year		(22,603)	(496,370)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations		3,433	195
Other comprehensive income for the year, net of tax		3,433	195
Total comprehensive expense for the year		(19,170)	(496,175)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000 (Restated) <i>(Note 1)</i>
Loss for the year attributable to:			
– Owners of the Company		(2,098)	(283,748)
– Non-controlling interests		(20,505)	(212,622)
		(22,603)	(496,370)
Profit/(loss) for the year attributable to owners of the Company arises from:			
– Continuing operation		(19,990)	(241,989)
– Discontinued operation		17,892	(41,759)
		(2,098)	(283,748)
Total comprehensive income/(expense) for the year attributable to:			
– Owners of the Company		4,829	(284,062)
– Non-controlling interests		(23,999)	(212,113)
		(19,170)	(496,175)
Total comprehensive income/(expense) for the year attributable to owners of the Company arises from:			
– Continuing operation		(15,267)	(185,805)
– Discontinued operation		20,096	(98,257)
		4,829	(284,062)
Loss per share			
From continuing and discontinued operations			
Basic and diluted (in HK cents)	15	(0.2)	(26.6)
From continuing operation			
Basic and diluted (in HK cents)	15	(1.9)	(22.7)

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	16	–	1,474
Right-of-use assets	17	1,063	1,632
Intangible assets	18	–	22,885
Financial assets at fair value through profit or loss	19	–	86,836
		1,063	112,827
Current assets			
Inventories	21	–	189
Trade and other receivables	22	42,933	307,791
Financial assets at fair value through profit or loss	19	42,655	5,400
Restricted bank deposits	23	–	85,054
Bank balances and cash	24	32,105	37,949
		117,693	436,383
Current liabilities			
Trade and other payables	25	87,192	336,983
Lease liabilities	26	666	4,374
Penalty payable	27	–	95,822
Borrowings	28	13,596	80,683
Convertible bonds	29	65,402	60,458
		166,856	578,320
Net current liabilities		(49,163)	(141,937)
Total assets less current liabilities		(48,100)	(29,110)
Non-current liabilities			
Deferred tax liabilities	20	–	3,432
Lease liabilities	26	411	3,687
		411	7,119
Net liabilities		(48,511)	(36,229)

Consolidated Statement of Financial Position

At 31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	30	10,654	10,654
Reserves		(84,549)	(64,993)
Deficit attributable to owners of the Company		(73,895)	(54,339)
Non-controlling interests		25,384	18,110
Total deficit		(48,511)	(36,229)

The consolidated financial statements on pages 44 to 129 were approved and authorised for issue by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Gu Zhongli
Director

Li Yunjiu
Director

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital	Share premium	Translation reserve	Other reserve	Non-distributable reserve	Share-based payment reserve	Accumulated losses	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note (a))	HK\$'000 (Note (b))	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	10,654	770,355	12,144	(3,933)	1,900	17,549	(578,946)	229,723	227,019	456,742
Loss for the year	-	-	-	-	-	-	(283,748)	(283,748)	(212,622)	(496,370)
Other comprehensive (expense)/income										
Exchange differences arising on translation of foreign operations	-	-	(314)	-	-	-	-	(314)	509	195
Other comprehensive (expense)/income for the year	-	-	(314)	-	-	-	-	(314)	509	195
Total comprehensive expense for the year	-	-	(314)	-	-	-	(283,748)	(284,062)	(212,113)	(496,175)
Lapse of share options (Note 31)	-	-	-	-	-	(1,466)	1,466	-	-	-
Disposal of a subsidiary (Note 32(b))	-	-	-	-	-	-	-	-	3,204	3,204
At 31 December 2024 and 1 January 2025	10,654	770,355	11,830	(3,933)	1,900	16,083	(861,228)	(54,339)	18,110	(36,229)
Loss for the year	-	-	-	-	-	-	(2,098)	(2,098)	(20,505)	(22,603)
Other comprehensive income/(expense)										
Exchange differences arising on translation of foreign operations	-	-	6,927	-	-	-	-	6,927	(3,494)	3,433
Other comprehensive income/(expense) for the year	-	-	6,927	-	-	-	-	6,927	(3,494)	3,433
Total comprehensive income/(expense) for the year	-	-	6,927	-	-	-	(2,098)	4,829	(23,999)	(19,170)
Lapse of share options (Note 31)	-	-	-	-	-	(746)	746	-	-	-
Deregistration of subsidiaries	-	-	(5,008)	-	-	-	-	(5,008)	-	(5,008)
Disposal of subsidiaries (Note 32(a))	-	-	(19,377)	(103)	(1,900)	-	2,003	(19,377)	31,273	11,896
At 31 December 2025	10,654	770,355	(5,628)	(4,036)	-	15,337	(860,577)	(73,895)	25,384	(48,511)

Notes:

- (a) Other reserve was resulted from the (i) provision for general risk reserve of subsidiaries in the People's Republic of China (the "PRC") and (ii) acquisition of additional interests in a subsidiary without changes in control.
- (b) The non-distributable reserve of the Group mainly represents statutory reserve requirement that the foreign investment enterprises appropriated 10% of the profit after taxation of the subsidiaries of the Company registered in the PRC to the non-distributable reserve under the PRC laws and regulations until the transferred amount equals to 50% of the registered capital of these PRC subsidiaries. It can be used to make up for previous years' losses or converted into additional capital of these PRC subsidiaries.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Operating activities			
Loss before taxation			
– from continuing operation		(30,932)	(366,588)
– from discontinued operation		4,920	(131,554)
		(26,012)	(498,142)
Adjustments for:			
Impairment losses under expected credit loss model, net of reversal	<i>38(b)</i>	4,543	71,426
Impairment losses recognised on non-financial assets	<i>11</i>	21,741	357,606
Depreciation of property, plant and equipment	<i>16</i>	126	13,022
Depreciation of right-of-use assets	<i>17</i>	2,594	5,665
Amortisation of intangible assets	<i>18</i>	1,144	1,959
Net (gain)/loss on disposal of property, plant and equipment	<i>7</i>	(19)	355
Net gain on lease modification	<i>7</i>	–	(46)
Net gain on lease termination	<i>7</i>	(6,081)	–
Gain on disposal of an associate	<i>7</i>	–	(21)
Gain on derecognition of financial guarantee contract liabilities	<i>7</i>	–	(18,343)
Waiver of director's emoluments in respect of previous years	<i>7</i>	–	(7,275)
Waiver of trade payables	<i>7</i>	(37,043)	–
Loss/(gain) on fair value change of financial assets at fair value through profit or loss ("FVTPL")	<i>7</i>	10,663	(662)
Gain on deregistration of subsidiaries	<i>7</i>	(5,008)	–
Interest income		(230)	(411)
Finance costs		28,216	20,509
Net (gain)/loss on disposals of subsidiaries		(33,867)	709
Operating cash flows before movements in working capital		(39,233)	(53,649)
Increase in inventories		–	(46)
Decrease/(increase) in trade and other receivables		53,794	(16,905)
Decrease in restricted bank deposits		7,127	21,959
Decrease in trade and other payables		(58,152)	(111,256)
Cash used in operations		(36,464)	(159,897)
Income tax paid		–	(1)
Net cash used in operating activities		(36,464)	(159,898)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Investing activities			
Payments for purchases of property, plant and equipment		–	(1,232)
Proceeds from disposal of property, plant and equipment		19	56
Net cash outflow on disposals of subsidiaries	32	(727)	(1,141)
Interest received		230	411
Payment for purchase of financial assets at FVTPL		(92,198)	–
Proceeds from disposal of financial assets at FVTPL		125,961	16,008
Net cash generated from investing activities		33,285	14,102
Financing activities			
Interest paid	36	(51)	(6,142)
Repayments of lease liabilities		(3,160)	(6,207)
New bank and other borrowings raised		500	74,851
Repayment of bank and other borrowings		(1,080)	(134)
Net cash (used in)/generated from financing activities		(3,791)	62,368
Net decrease in cash and cash equivalents		(6,970)	(83,428)
Cash and cash equivalents at the beginning of the year		37,949	122,176
Effect of foreign exchange rate changes		1,126	(799)
Cash and cash equivalents at end of the year		32,105	37,949
Represented by:			
Bank balances and cash		32,105	37,949

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1 GENERAL

Pan Asia Data Holdings Inc. (the “Company”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revision) Chapter 22 of the Cayman Islands. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office of the Company are 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands. With effect from 30 June 2025, the address of the Company’s principal place of business has changed from Room B, 29/F, The Sun’s Group Centre, 189-200 Gloucester Road, Wan Chai, Hong Kong to 3/F, Yue On Commercial Building, 385-387 Lockhart Road, Wan Chai, Hong Kong.

The Company is an investment holding company. Particulars of the Company’s principal subsidiaries are set out in Note 40. Hereinafter, the Company and its subsidiaries are collectively referred to as the “Group”.

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

As further disclosed in Notes 13 and 32(a), during the current year, the Group has completed the disposal of the entire equity interest in Pan Asia Data (BVI) Inc. (“PAD (BVI)”), the then wholly-owned subsidiary of the Company. As PAD (BVI) and its subsidiaries formed a separate operating segment of third-party payment services business, therefore it is classified as a discontinued operation. Accordingly, certain comparative information related to the discontinued operation has been restated in these consolidated financial statements.

2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to an HKFRS Accounting Standard 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 period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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 not yet effective:

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

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

HKFRS 18 “Presentation and Disclosure in Financial Statements” (“HKFRS 18”)

HKFRS 18 which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements” (“HKAS 1”). 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 Errors” 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. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

(a) Compliance with HKFRS Accounting Standards, Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by 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 (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

(b) Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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 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 a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment” (“HKFRS 2”), leasing transactions that are accounted for in accordance with HKFRS 16 “Leases” (“HKFRS 16”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” (“HKAS 2”) or value in use (“VIU”) in HKAS 36 “Impairment of Assets” (“HKAS 36”).

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 equals the transaction price.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

(b) Historical cost convention *(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.

The material accounting policies adopted are set out below.

(c) Going concern basis

The Group incurred a net loss from continuing operation of HK\$27,500,000 for the year ended 31 December 2025, and, as of that date, the Group had net current liabilities and net liabilities of HK\$49,163,000 and HK\$48,511,000, respectively. As at 31 December 2025, the Group defaulted on repayment of convertible bonds with principal amounts of HK\$46,000,000 and accrued interest of approximately HK\$19,402,000. In addition, subsequent to the end of the reporting period, a winding-up petition (Companies Winding-Up Proceedings No. 53 of 2026) (the "Petition") was presented by Ho Kin, an independent third party, against the Company at the High Court of the Hong Kong Special Administrative Region (the "High Court"), in respect of an alleged financial obligation of the Company in an amount of approximately HK\$6,179,000, comprising an alleged outstanding principal of HK\$3,629,000 and alleged accrued interest of HK\$2,550,000. These liabilities of approximately HK\$71,581,000 in total exceed the Group's cash and cash equivalents of HK\$32,105,000 as at 31 December 2025. Furthermore, due to the non-renewal of a major license contract, revenue declined significantly for the year ended 31 December 2025. The above conditions indicated the existence of a material uncertainty, which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the Directors are undertaking the following plans and measures to improve the Group's liquidity and financial position and to address the Petition, including, inter alia:

- (i) the Company has been actively pursuing a proposed debt restructuring intended to be implemented by way of a scheme of arrangement pursuant to section 670 of the Companies Ordinance (Cap. 622) (the "Proposed Restructuring"), with the assistance of legal and financial advisers. The Proposed Restructuring is intended to provide a framework for the settlement and rationalisation of the Company's existing debt obligations on terms to be agreed with creditors, with a view to providing the Company with a sustainable capital structure going forward. The detailed terms of the Proposed Restructuring are currently being finalised through negotiations with the relevant creditors and stakeholders;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

(c) Going concern basis *(Continued)*

- (ii) in connection with the Proposed Restructuring, the Company is contemplating a fund-raising exercise, the proceeds of which are intended to be applied towards facilitating the implementation of the Proposed Restructuring. The Company is in discussions with relevant parties in relation to the proposed fundraising exercise, the terms of which have not yet been finalised;
- (iii) the Company is in active and good faith negotiations with its creditors in respect of the restructuring of their claims, and has been seeking creditors' support in principle for the Proposed Restructuring and for the Company's application to the Court for an adjournment of the Petition hearing for a reasonable period to allow the Proposed Restructuring to be progressed and put to creditors for approval in accordance with the relevant statutory procedures. Based on the feedback received by the Company, the requisite majority of creditors would support the Proposed Restructuring;
- (iv) obtaining proceeds through the redemption of unlisted equity investments measured at FVTPL;
- (v) the single largest shareholder of the Company has provided and will continue to provide financial support to enable the Group to continue operating as a going concern for the next 15 months from the reporting period end; and
- (vi) the management also considers implementing measures to accelerate the collection of outstanding trade and other receivables and exploring other debt or equity financing arrangements when necessary.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 15 months from the reporting period end. They consider that, assuming the success of all the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for at least 15 months from the reporting period end. Accordingly, the Directors are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether the Group will be able to achieve its plans and measures as described above, including (i) whether the Proposed Restructuring will be successfully implemented on terms acceptable to all relevant parties, (ii) whether the fund-raising exercise can be successfully executed, (iii) whether the requisite creditor and court approvals will be obtained, (iv) whether the Petition will be withdrawn or dismissed, and (v) whether the redemption amount of unlisted equity investments will be equal to the fair value at year end. Should the Group fail to achieve the above-mentioned plans and measures, it may not be able to continue to operate as a going concern, and adjustments may have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any of these adjustments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Basis of consolidation *(Continued)*

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

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.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" ("HKFRS 9").

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.2) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGU's") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Revenue from contracts with customers *(Continued)*

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Further details of the Group's revenue recognition policies are disclosed in Note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies to the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessee (Continued)

Right-of-use assets *(Continued)*

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessee (Continued)

Lease liabilities *(Continued)*

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives 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 and 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCO") and VIU. In assessing VIU, 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 (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its FVLCO (if measurable), its VIU (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill *(Continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 23.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets *(Continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other gains and losses, net" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets including deposits paid, trade and other receivables, restricted bank deposits and bank balances which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

(i) Significant increase in credit risk *(Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other gains and losses, net" line item (Note 7) as part of the net foreign exchange gains/(losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other gains and losses, net" line item as part of the gain/(loss) from changes in fair value of financial assets (Note 7).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including borrowings and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

When determining the classification of convertible bonds (including the host liability and the related derivative components designated at FVTPL) as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion options by holders as settlement of the convertible loan notes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity (Continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “Other gains and losses, net” line item in profit or loss (Note 7) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

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.

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.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity (Continued)

Embedded derivatives *(Continued)*

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Employee benefits

Retirement benefit costs

Payments to the defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Equity-settled share-based payment transactions

Share options granted to directors and employees

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Equity-settled share-based payment transactions *(Continued)*

Share options granted to directors and employees (Continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to accumulated losses.

Shares/Share options granted to non-employees

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before taxation" as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation *(Continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 “Income Taxes” requirements to the lease liabilities, and right-of-use assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation *(Continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

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), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Borrowing costs

All borrowing costs 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 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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”.

Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the consolidated statement of profit or loss and other comprehensive income, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to FVLCOD, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

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 key management personnel of the Group or the Group's parent.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Related parties *(Continued)*

- (b) An entity is related to the Group if any of the following conditions apply:
- (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); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the 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 CRITICAL ACCOUNTING JUDGEMENTS AND 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 underlying 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 on-going 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.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern assumptions

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the future outcome of inherently uncertain events or conditions that may affect the Group's ability to continue as a going concern and meet its liabilities as they fall due. Details are explained in Note 3.1(c) to the consolidated financial statements.

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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables

The Group uses collective assessment to calculate ECL for the trade receivables with similar credit risk characteristics. In calculating the ECL, the loss rates are estimated based on comparable probability of default by internal credit ratings through groupings of various debtors that have similar loss patterns and recovery rate quoted from international credit-rating agencies and adjusted for forward-looking information. Such calculation of ECL has involved subjective judgement and estimates. At the end of the reporting period, the loss rates are reassessed and changes in the forward-looking information are considered. In addition, ECL on trade receivables which are credit-impaired are assessed individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL for the Group's trade receivables is disclosed in Note 38(b)(ii).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Deferred tax asset

As at 31 December 2025, as detailed in Note 20, no deferred tax asset has been recognised on the tax losses of approximately HK\$581,598,000 (2024: HK\$736,138,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material recognition of deferred tax asset may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

5 REVENUE AND SEGMENTAL INFORMATION

Disaggregation of revenue from contracts with customers from continuing operation within the scope of HKFRS 15:

	2025 HK\$'000	2024 HK\$'000 (Restated)
From continuing operation:		
Provision of big data services		
– Data analytics services	79,186	167,673
Timing of revenue recognition		
– A point in time	79,186	167,673

The Group's revenue recognition policies are disclosed as follows:

Provision of big data services

The revenue of the Group from provision of big data services is recognised at a point in time. The Group provides data analytics services to customers on a transactional basis. The services provided by the Group are price defined, and the revenue on usage-based subscription contracts with a defined price but an undefined quantity is recognised when the service is provided and billed.

Provision of third-party payment services (presented as discontinued operation in Note 13)

The revenue of the Group from provision of third-party payment services is recognised at a point in time. The Group has concluded it is the principal and recognises the commission income on a gross basis because it controls the services before delivery to the payees, it has primarily responsibility for the delivery of the services and has discretion in setting prices charged to payees. The Group also has the unilateral ability to accept or reject a transaction based on criteria established by the Group. The Group is also liable for the costs of processing the transactions for the payees, and records such costs within cost of sales.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5 REVENUE AND SEGMENTAL INFORMATION *(Continued)*

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for those that had an original expected duration of one year or less.

Operating segments

The Group has determined the operating segments based on the internal reports reviewed and used by the executive directors of the Company, who are the chief operating decision makers (“CODM”), for strategic decision making.

As detailed in Notes 1, 13 and 32(a), during the current year, an operating segment regarding third-party payment services was discontinued upon the disposal of subsidiaries, PAD (BVI) and subsidiaries. As a result, the Group’s operating activities from continuing operation are attributable to a single operating segment under HKFRS 8 “Operating Segments” focusing on big data services segment. Therefore, no other discrete financial information is provided to CODM other than the Group’s results from continuing operation and financial position as a whole. Accordingly, only entity-wide disclosures and geographic information are presented.

Revenue from continuing operation from major customers

Revenue from continuing operation from customer of the corresponding years contributing over 10% of the total sales of the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	10,297	N/A [#]
Customer B	N/A[#]	121,726

[#] The corresponding revenue did not contribute 10% or more of the total revenue.

Geographical information

No separate analysis of segment information by geographical information is presented as the Group’s revenue is principally attributable to a single geographical region, which is the PRC. Information about the Group’s non-current assets excluded those relating to discontinued operation and financial assets at FVTPL is presented below based on the geographical location of the assets or operations.

	2025 HK\$'000	2024 HK\$'000
The PRC	–	25,601
Others	1,063	390
	1,063	25,991

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6 OTHER INCOME

	2025 HK\$'000	2024 HK\$'000 (Restated)
From continuing operation:		
Interest income	230	350
Service income	309	618
Government grants (Note)	–	453
	539	1,421

Note: Government grants mainly represented subsidies received from government authority in the PRC for the support of the development of the Group's subsidiaries as new and high technology enterprise and contribution to local economic development. There was no specified condition attached to these subsidies.

7 OTHER GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000 (Restated)
From continuing operation:		
Gain on derecognition of financial guarantee contract liabilities (<i>Note (a)</i>)	–	18,343
Waiver of director's emoluments in respect of previous years (<i>Note (b)</i>)	–	7,275
Loss on disposal of subsidiaries (<i>Note 32</i>)	–	(709)
Gain on disposal of an associate (<i>Note (c)</i>)	–	21
(Loss)/gain on fair value change of financial assets at FVTPL	(10,663)	662
Gain on deregistration of subsidiaries	5,008	–
Net gain on lease modification	–	46
Net gain on lease termination	6,081	–
Net exchange gain	180	41
Net gain/(loss) on disposal of property, plant and equipment	19	(355)
Waiver of trade payables (<i>Note (d)</i>)	37,043	–
Others	(229)	(140)
	37,439	25,184

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7 OTHER GAINS AND LOSSES, NET *(Continued)*

Notes:

- (a) In 2024, upon the completion of disposal of the entire equity interest in Rookwood Investments Limited, the then wholly owned subsidiary of the Company, the balance of financial guarantee contract liabilities was offset against the balance of retained interest in the deconsolidated subsidiaries which resulted in a gain on derecognition of HK\$18,343,000 recognised as part of "Other gains and losses, net".
- (b) In December 2024, Mr. Gu Zhongli, an executive director, signed an agreement to voluntarily waived his base salary retrospectively from 1 August 2022 to 31 December 2024. As the result, an aggregate amount of approximately HK\$7,275,000 in relation to the previous years was included in "Other gains and losses, net" above.
- (c) In 2024, the Group disposed of its equity interest of an associate to an independent third party at a consideration of RMB20,000 (equivalent to approximately HK\$21,000), resulting in a gain on disposal of an associate of HK\$21,000.
- (d) In 2025, the Group entered into an agreement with the creditor whereby creditor agreed to waive certain amount of trade payables provided that the Group has to settle the remaining outstanding balances of trade payables on or before 31 December 2026. Up to the date of this report, the Group has settled all of the outstanding balances.

8 IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2025 HK\$'000	2024 HK\$'000 (Restated)
From continuing operation:		
Impairment losses recognised/(reversed) in respect of:		
– Trade receivables	(674)	(1,708)
– Other receivables and deposits	5,164	6,649
	4,490	4,941

9 FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000 (Restated)
From continuing operation:		
Interest on bank borrowings and other borrowings	1,015	974
Interest on lease liabilities	208	459
Effective interest expense on convertible bonds <i>(Note 29)</i>	4,944	4,957
	6,167	6,390

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, are as follows:

	Executive directors				Total HK\$'000
	Mr. Gu Zhongli HK\$'000	Mr. Li Yunjiu HK\$'000 <i>(Note ii)</i>	Mr. Jin Peiyi HK\$'000	Dr. Wang Bangyi HK\$'000 <i>(Note iii)</i>	
Year ended 31 December 2025					
Fee	–	–	–	–	–
Salaries and other benefits	1,129	263	60	201	1,653
Discretionary bonuses <i>(Note (i))</i>	–	–	–	–	–
Retirement benefit scheme contributions	146	13	3	10	172
	1,275	276	63	211	1,825
Year ended 31 December 2024					
Fee	–	–	–	–	–
Salaries and other benefits	1,091	–	510	2,360	3,961
Discretionary bonuses <i>(Note (i))</i>	724	–	5	30	759
Retirement benefit scheme contributions	183	–	16	18	217
	1,998	–	531	2,408	4,937

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

	Non-executive directors			Total HK\$'000
	Mr. Sze Siu Ming HK\$'000 <i>(Note iv)</i>	Mr. Sze Ka Ho HK\$'000 <i>(Note v)</i>	Dr. Dong Lihuan HK\$'000 <i>(Note vi)</i>	
Year ended 31 December 2025				
Fee	60	60	–	120
Year ended 31 December 2024				
Fee	72	19	135	226

	Independent non-executive directors					Total HK\$'000
	Ms. Xu Yanqiong HK\$'000	Ms. Yung Hoi Yan, <i>JP</i> HK\$'000 <i>(Note vii)</i>	Mr. So Ching Tung, <i>JP</i> HK\$'000 <i>(Note viii)</i>	Mr. Li Gong HK\$'000 <i>(Note ix)</i>	Dr. Shi Ping HK\$'000 <i>(Note x)</i>	
Year ended 31 December 2025						
Fee	60	120	60	–	–	240
Year ended 31 December 2024						
Fee	160	82	19	89	142	492

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

Notes:

- (i) Discretionary bonus is determined by the management of the Group by reference to the performance of directors and the Group's operating results.
- (ii) Mr. Li Yunjiu was appointed as an executive director on 14 February 2025.
- (iii) Dr. Wang Bangyi is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive. He resigned as an executive director and chief executive of the Company with effect from 23 July 2025.
- (iv) Mr. Sze Siu Ming was appointed as a non-executive director on 27 June 2024.
- (v) Mr. Sze Ka Ho was appointed as a non-executive director on 6 September 2024.
- (vi) Dr. Dong Liuhan has ceased to be a non-executive director with effect from 2 October 2024.
- (vii) Ms. Yung Hoi Yan, *JP* was appointed as an independent non-executive director on 27 June 2024.
- (viii) Mr. So Ching Tung, *JP* was appointed as an independent non-executive director on 6 September 2024.
- (ix) Mr. Li Gong resigned as an independent non-executive director on 27 June 2024.
- (x) Dr. Shi Ping resigned as an independent non-executive director on 16 October 2024.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

During both years, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. Except disclosed in Note 7(b) above, none of the directors has waived any remuneration during both years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10 DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments

The five highest paid individuals included one director (2024: two directors) and whose emoluments are included in the disclosures in (a) above. The emoluments of the remaining four (2024: three) highest paid employees who are not the directors of the Company, are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	3,174	3,273
Discretionary bonus	–	1,870
Retirement benefit scheme contributions	355	263
	3,529	5,406

The emoluments of the individuals with the highest emoluments who are not the directors of the Company are within the following bands:

	2025 Number of individuals	2024 Number of individuals
Nil to HK\$1,000,000	3	–
HK\$1,000,001 to HK\$1,500,000	1	–
HK\$1,500,001 to HK\$2,000,000	–	3

During both years, no emoluments were paid by the Group to the above individuals who are not the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11 LOSS BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000 (Restated)
Loss before taxation from continuing operation has been arrived at after charging:		
Directors' emoluments (<i>Note 10</i>)		
– Fee	360	718
– Salaries and other benefits	1,653	3,961
– Discretionary bonuses	–	759
– Retirement benefit scheme contributions	172	217
	2,185	5,655
Other staff costs:		
– Salaries and other benefits	6,661	51,110
– Retirement benefit scheme contributions	380	2,259
Total staff costs	9,226	59,024
Impairment losses recognised on non-financial assets:		
– Property, plant and equipment (<i>Note 16</i>)	–	2,473
– Right-of use assets (<i>Note 17</i>)	–	12,378
– Intangible assets (<i>Note 18</i>)	21,741	342,755
Total impairment losses on non-financial assets	21,741	357,606
Depreciation of property, plant and equipment (<i>Note 16</i>)	123	12,942
Depreciation of right-of-use assets (<i>Note 17</i>)	2,594	5,665
Amortisation of intangible assets (<i>Note 18</i>)	1,144	1,959
Total depreciation and amortisation	3,861	20,566
Auditor's remuneration		
– Audit services	1,100	1,300
– Non-audit services	780	950

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12 INCOME TAX CREDIT

	2025 HK\$'000	2024 HK\$'000 (Restated)
From continuing operation:		
Deferred tax credit (<i>Note 20</i>)	(3,432)	(10,773)

The Company and certain of the Group's subsidiaries, which are incorporated in the Cayman Islands and the British Virgin Islands ("BVI"), are exempted from profits tax under the tax laws of the Cayman Islands and the BVI.

For the years ended 31 December 2025 and 31 December 2024, no provision for Hong Kong Profits Tax has been made as there are no assessable profits derived from the subsidiaries in Hong Kong.

Under the Law of the PRC on Enterprise Income tax (the "EIT Law") and Implementation Regulations of the EIT Law, the applicable tax rate for the Group's subsidiaries registered in the PRC are 25% for both years. One of the Group's subsidiaries, 聯洋國融(北京)科技有限公司 (Lian Yang Guo Rong (Beijing) Science and Technology Co., Ltd.*) ("LYGR (Beijing)") renewed its qualification as a high and new technology enterprise on 2 December 2024, which is valid for three years. Hence, LYGR (Beijing) is subject to the preferential tax treatment and the applicable tax rate for the year ended 31 December 2025 is 15% (2024: 15%).

Pursuant to the EIT Law, an additional tax deduction is allowed on research and development expenses incurred, subject to the approval by the tax authorities. Certain subsidiaries of the Group have obtained the approval, and an additional deduction is calculated at 100% of the actual research and development expenses incurred starting from 1 January 2021.

* English translated name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12 INCOME TAX CREDIT *(Continued)*

The income tax credit for the years can be reconciled to the loss before taxation from continuing operation as follows:

	2025 HK\$'000	2024 HK\$'000 (Restated)
Loss before taxation from continuing operation	(30,932)	(366,588)
Taxation at PRC Enterprise Income Tax rate of 25%	(7,733)	(91,647)
Tax effect of expenses not deductible for tax purposes	1,952	2,740
Tax effect of income not taxable for tax purposes	(7,490)	(5,603)
Tax effect of tax losses not recognised	22,736	50,123
Utilisation of tax losses previously not recognised	(33,006)	(2,440)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(2,673)	2,323
Income tax at preferential tax treatment	8,816	17,408
Additional deduction for research and development expense	(332)	(12,591)
Reversal of deferred tax assets recognised in prior years <i>(Note)</i>	–	26,198
Tax effect of deductible temporary differences not recognised	14,298	2,555
Others	–	161
	(3,432)	(10,773)

Note: During the year ended 31 December 2024, the Group assessed and considered that it was not probable that future taxable profits will be available to utilise the tax losses or deductible temporary differences in the relevant entities where deferred tax assets have been recognised in prior years for their cumulative unused tax losses. Consequently, deferred tax assets of approximately HK\$26,198,000 had been reversed and charged to profit or loss in 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13 DISCONTINUED OPERATION

The Group completed the disposal of the entire equity interest in PAD (BVI) on 16 June 2025. As PAD (BVI) and its subsidiaries carried out all of the Group's third-party payment services business and represented a reportable and operating segment, therefore it is classified as a discontinued operation. Accordingly, certain comparative information related to the discontinued operation has been re-presented.

The loss for the period from the discontinued third-party payment services operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the discontinued operation.

	From 1 January 2025 to 16 June 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Loss for the period from discontinued operation	(28,970)	(140,555)
Gain on disposal of subsidiaries (see Note 32(a))	33,867	–
	4,897	(140,555)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13 DISCONTINUED OPERATION *(Continued)*

The results for the period from 1 January 2025 to 16 June 2025 and for the year ended 31 December 2024 from discontinued operation, which have been included in the consolidated statement of profit or loss and other comprehensive income are as follows:

	From 1 January 2025 to 16 June 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Revenue	2,544	1,159
Cost of sales	(1,417)	(1,847)
Gross profit/(loss)	1,127	(688)
Other income	–	86
Other gains and losses, net	–	(337)
Impairment losses under expected credit loss model, net of reversal	(53)	(66,485)
Distribution and selling expenses	(865)	(8,321)
Administrative expenses	(7,107)	(40,634)
Research and development expenses	–	(1,056)
Finance costs	(22,049)	(14,119)
Loss before taxation	(28,947)	(131,554)
Income tax expense	(23)	(9,001)
Loss after taxation	(28,970)	(140,555)

Loss before taxation from discontinued operation has been arrived at after charging/(crediting):

	From 1 January 2025 to 16 June 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Depreciation of property, plant and equipment	3	80
Impairment losses recognised/(reversed) in respect of:		
– Trade receivables	(17)	61,267
– Other receivables	70	5,218
Interest income (included in other income)	–	(62)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13 DISCONTINUED OPERATION *(Continued)*

The net cash flows incurred by the discontinued operation are as follows:

	From 1 January 2025 to 16 June 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Net cash inflows/(outflows) from operation activities	36	(154,409)
Net cash inflows from investing activities	–	62
Net cash inflows from financing activities	–	66,700
Net increase/(decrease) in cash and cash equivalents	36	(87,647)

14 DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed after the end of reporting period.

15 LOSS PER SHARE

For continuing operation

The calculation of the basic and diluted loss per share from continuing operation attributable to the owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000 (Restated)
Loss for the year attributable to owners of the Company	(2,098)	(283,748)
Less: (profit)/loss for the year from discontinued operation attributable to owners of the Company	(17,892)	41,759
Loss for the purpose of basic loss per share from continuing operation	(19,990)	(241,989)
	2025 '000	2024 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	1,065,454	1,065,454

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15 LOSS PER SHARE *(Continued)*

For continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000 (Restated)
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(2,098)	(283,748)

The denominators used to calculate loss per share of continuing and discontinued operations and loss per share of continuing operation are the same as those detailed above for both basic and diluted loss per share.

At 31 December 2025, the outstanding share options (see note 31) were excluded from the diluted weighted average number of ordinary shares calculation because the exercise price of these options was higher than the average market price for shares for 2025. The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

For discontinued operation

Basic and diluted earnings per share for the discontinued operation was HK1.7 cents per share (2024: basic and diluted loss HK3.9 cents per share), based on the profit for the year from the discontinued operation of approximately HK\$17,892,000 (2024: loss for the year HK\$41,759,000) and the denominators detailed above for both basic and diluted earnings/(loss) per share.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, Fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost				
At 1 January 2024	1,648	66,434	4,737	72,819
Additions	–	1,232	–	1,232
Disposals	–	(1,677)	(4)	(1,681)
Disposal of a subsidiary (<i>Note 32(b)</i>)	–	(399)	(81)	(480)
Exchange adjustments	(35)	(1,516)	(71)	(1,622)
At 31 December 2024 and 1 January 2025	1,613	64,074	4,581	70,268
Disposals	–	(1,788)	–	(1,788)
Disposal of a subsidiaries (<i>Note 32(a)</i>)	(1,613)	(22,932)	(4,364)	(28,909)
Exchange adjustments	–	1,591	97	1,688
At 31 December 2025	–	40,945	314	41,259
Depreciation and impairment				
At 1 January 2024	1,648	51,939	2,705	56,292
Provided from continuing operation for the year (<i>Note 11</i>)	–	11,742	1,200	12,942
Provided from discontinued operation	–	80	–	80
Eliminated on disposals	–	(1,266)	(4)	(1,270)
Eliminated on disposal of a subsidiary (<i>Note 32(b)</i>)	–	(202)	(81)	(283)
Impairment loss recognised (<i>Note 18</i>)	–	1,983	490	2,473
Exchange adjustments	(35)	(1,357)	(48)	(1,440)
At 31 December 2024 and 1 January 2025	1,613	62,919	4,262	68,794
Provided from continuing operation for the year (<i>Note 11</i>)	–	63	60	123
Provided from discontinued operation	–	3	–	3
Eliminated on disposals	–	(1,788)	–	(1,788)
Eliminated on disposal of subsidiaries (<i>Note 32(a)</i>)	(1,613)	(21,842)	(4,093)	(27,548)
Exchange adjustments	–	1,590	85	1,675
At 31 December 2025	–	40,945	314	41,259
Carrying amount				
At 31 December 2025	–	–	–	–
At 31 December 2024	–	1,155	319	1,474

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis after taking into account their estimated residual values, at the following rates per annum:

Leasehold improvements	4.5%–30%
Furniture, fixtures and office equipment	18%–20%
Motor vehicles	18%–25%

Details of impairment assessment are set out in Note 18.

17 RIGHT-OF-USE ASSETS

	Leased properties HK\$'000
At 1 January 2024	13,814
Provided from continuing operation for the year	(5,665)
Impairment loss recognised (<i>Note 18</i>)	(12,378)
Lease modification	6,152
Exchange adjustments	(291)
At 31 December 2024 and 1 January 2025	1,632
Additions	2,021
Provided from continuing operation for the year	(2,594)
Exchange adjustments	4
At 31 December 2025	1,063

The Group leases various offices, warehouses and staff quarters for its operations for both years. Lease contracts are entered into for fixed term of 1 year to 3 years without extension and termination options (2024: may have extension as described below). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the year ended 31 December 2025, the expense relating to short-term leases and total cash outflow for leases amounted to approximately HK\$675,000 (2024: HK\$1,156,000) and HK\$3,835,000 (2024: HK\$7,363,000) respectively.

The Group had extension options in a number of leases for offices as at 31 December 2024. These were used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17 RIGHT-OF-USE ASSETS *(Continued)*

The Group assessed at lease commencement date whether it was reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group was not reasonably certain to exercise are summarised below:

	As at 31 December 2024	
	Lease liabilities recognised	Potential future lease payments not included in lease liabilities (undiscounted)
	HK\$'000	HK\$'000
Offices	7,496	8,540

The Group reassessed whether it was reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that was within the control of the lessee. During the year ended 31 December 2024, there was no such triggering event.

Details of impairment assessment are set out in Note 18.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18 INTANGIBLE ASSETS

	Goodwill HK\$'000	Computer software HK\$'000	Trademarks HK\$'000	Technology HK\$'000	Licenses HK\$'000	Distribution network HK\$'000	Supplier relationship HK\$'000	Total HK\$'000
Cost								
At 1 January 2024	452,795	32,246	189,142	99,315	973,847	214,081	238,529	2,199,955
Exchange adjustments	-	(638)	(4,052)	(2,128)	(20,864)	(4,587)	-	(32,269)
At 31 December 2024 and 1 January 2025	452,795	31,608	185,090	97,187	952,983	209,494	238,529	2,167,686
Written-off	-	-	-	-	-	-	(238,529)	(238,529)
Disposal of subsidiaries	(338,250)	(12,663)	(185,090)	(97,187)	(952,983)	(209,494)	-	(1,795,667)
At 31 December 2025	114,545	18,945	-	-	-	-	-	133,490
Amortisation and impairment								
At 1 January 2024	338,250	17,721	189,142	99,315	973,847	214,081	-	1,832,356
Provided from continuing operation for the year	-	1,959	-	-	-	-	-	1,959
Impairment loss recognised	114,545	11,422	-	-	-	-	216,788	342,755
Exchange adjustments	-	(638)	(4,052)	(2,128)	(20,864)	(4,587)	-	(32,269)
At 31 December 2024 and 1 January 2025	452,795	30,464	185,090	97,187	952,983	209,494	216,788	2,144,801
Provided from continuing operation for the year	-	1,144	-	-	-	-	-	1,144
Disposal of subsidiaries	(338,250)	(12,663)	(185,090)	(97,187)	(952,983)	(209,494)	-	(1,795,667)
Impairment loss recognised	-	-	-	-	-	-	21,741	21,741
Written-off	=	=	=	=	=	=	(238,529)	(238,529)
At 31 December 2025	114,545	18,945	-	-	-	-	-	133,490
Carrying amount								
At 31 December 2025	-	-	-	-	-	-	-	-
At 31 December 2024	-	1,144	-	-	-	-	21,741	22,885

The above intangible assets (other than goodwill, trademarks, licenses and supplier relationship) have finite useful lives are amortised on a straight-line basis after taking into account their estimated residual values at the following rates per annum:

Computer software	9%-19%
Technology	20%
Distribution network	10%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18 INTANGIBLE ASSETS *(Continued)*

Impairment assessment in respect of LYGR CGU (as defined below)

For the year ended 31 December 2025

As at 31 December 2025, based on the management's assessment, the renewal of a major license contract became remote. Hence, in the opinion of the Directors, the supplier relationship in relation to a major license contract had been fully impaired and written off. An amount of HK\$21,741,000 was impaired in the current year and the net effect (net of a deferred tax credit of approximately HK\$3,432,000) to the consolidated statement of profit or loss was approximately HK\$18,309,000.

For the year ended 31 December 2024

During the year ended 31 December 2024, as the major license contract was not yet renewed, there was a huge decline of revenue generated from the big data services segment, which was acquired through business combinations of Lian Yang Guo Rong Holdings Limited ("LYGR"). As a result, the management of the Group concluded there was an indication of impairment for non-current assets in the LYGR and its subsidiaries ("LYGR CGU"), as those non-current assets were expected to generate less future cash flows in the foreseeable future. For the purpose of impairment assessment, property, plant and equipment, right-of-use assets and intangible assets of approximately HK\$2,595,000, HK\$13,619,000 and HK\$365,640,000 respectively had been allocated to the LYGR CGU.

The recoverable amount of the LYGR CGU had been determined by reference to the higher of the value in use and fair value less costs of disposal. The recoverable amount of LYGR CGU was amounted to approximately HK\$74,232,000 as at 31 December 2024, which was determined based on a VIU calculation performed by an independent qualified professional valuer not connected with the Group. That calculation used cash flow projections based on financial budgets approved by the management of the Group covering a 5-year period with a pre-tax discount rate of 21.3% as at 31 December 2024. Cash flows beyond the 5-year period were extrapolated using 2% average growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the VIU calculation relate to the estimation of cash inflows/outflows which include budgeted revenue and gross margin, such estimation was based on the unit's past performance and management's expectations for the market development.

Based on the above assessments, the Directors had consequently determined the impairment of property, plant and equipment, right-of-use assets and intangible assets directly related to LYGR CGU amounting to approximately HK\$2,473,000, HK\$12,378,000 and HK\$342,755,000 respectively based on the VIU calculation. The aggregate impairment losses of HK\$357,606,000 had been included in profit or loss during the year ended 31 December 2024.

As the carrying amount of the CGU had been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses on other assets of the CGU. The key parameters adopted as at 31 December 2024 were as follows:

Average revenue growth rate of LYGR CGU between the Financial Year ("FY") of 2025 and FY2029	8.1%
Gross profit margin of LYGR CGU between FY2025 and FY2029	68.0%–75.0%
Net profit margin of LYGR CGU between FY2025 and FY2029	–7.1%–6.5%
Terminal growth rate	2.0%
Pre-tax discount rate	21.3%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Unlisted equity investments (<i>Note</i>)	42,655	86,836
Financial products	–	5,400
	42,655	92,236
Analysed for reporting purpose as:		
Non-current assets	–	86,836
Current assets	42,655	5,400
	42,655	92,236

Note: On 7 September 2023, a partially owned subsidiary of the Company as a limited partner and the general and executive partner, being an independent third party to the Group, entered into a limited partnership, namely 蕪湖朗亞聯洋一號投資基金合夥企業(有限合夥)(Wuhu Langya Lianyang No. 1 Investment Fund Partnership (Limited Partnership)* (“Wuhu Limited Partnership”). Pursuant to the partnership agreement (“Wuhu Partnership Agreement”), the maximum total capital contribution of the Wuhu Limited Partnership is limited to RMB81,000,000 and the investment period was five years from the date of incorporation. In 2023, the Group contributed RMB80,000,000 (equivalent to approximately HK\$88,281,000), representing equity interest of approximately 98.8%, into Wuhu Limited Partnership.

Notwithstanding the Group has the equity interest of approximately 98.8%, pursuant to Wuhu Partnership Agreement, the executive partner has the exclusive right to make all decisions on the financial and operating policies. In addition, the limited partner can only remove the executive partner on the occurrence of an event of cause such as breach of contract, fraud, felony or gross negligence and therefore the kick-out right is not considered to have any substance. Based on the foregoing, the Directors are of opinion that the Group has neither significant influence, joint control nor control over the Wuhu Limited Partnership and therefore it is classified as financial assets at FVTPL.

In 2025, the Group submitted a redemption request to withdraw its capital contribution from Wuhu Limited Partnership. Upon the submission of the redemption application, the investment is expected to be realised within the next twelve months at the end of reporting period. Accordingly, although the investment continues to be measured at FVTPL, its classification has been reclassified from non-current to current financial assets at the end of the reporting period.

* *English translated name is for identification purpose only.*

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20 DEFERRED TAXATION

The following are the major deferred income tax (liabilities)/assets recognised and movements thereon during the current and prior years:

	Fair value adjustments on intangible assets HK\$'000	Temporary difference of property, plant and equipment HK\$'000	ECL provision of trade and other receivables HK\$'000	Unused tax losses HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2024	(38,194)	(449)	9,837	20,396	(3,424)	1,985	4,966	(4,883)
Credited/(charged) to profit or loss from continuing operation (Note 12)	34,762	453	(744)	(20,279)	3,228	(1,714)	(4,933)	10,773
Charged to profit or loss from discontinued operation	-	-	(9,001)	-	-	-	-	(9,001)
Exchange adjustments	-	(4)	(92)	(117)	(58)	(17)	(33)	(321)
At 31 December 2024 and 1 January 2025	(3,432)	-	-	-	(254)	254	-	(3,432)
Credited/(charged) to profit or loss from continuing operation (Note 12)	3,432	-	-	-	254	(254)	-	3,432
At 31 December 2025	-	-	-	-	-	-	-	-

As at 31 December 2025, the Group had tax losses of approximately HK\$581,598,000 (2024: HK\$736,138,000) available for offset against future profits. No deferred tax asset has been recognised for the tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unused tax losses at the end of the reporting period will expire on 31 December of the following years:

	2025 HK\$'000	2024 HK\$'000
2026	-	-
2027	57,341	116,027
2028	101,112	237,619
2029	280,413	382,492
2030	142,732	-
	581,598	736,138

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21 INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Finished goods	–	189

22 TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	9,259	135,661
Less: loss allowance on trade receivables	(316)	(87,016)
	8,943	48,645
Other receivables, deposits and prepayments		
– Trade deposits paid to merchants	–	130,207
– Other receivables and prepayments	33,990	128,939
	33,990	259,146
	42,933	307,791

As at 1 January 2024, trade receivables from contracts with customers, net of allowance of credit losses, amounted to approximately HK\$196,932,000.

The normal credit period for customers is 30–90 days (2024: 30–90 days). The following is an ageing analysis of trade receivables net of loss allowance presented based on the invoice date at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
0–30 days	4,031	210
31–60 days	971	–
61–90 days	932	–
91–180 days	2,740	48,004
Over 180 days	269	431
	8,943	48,645

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22 TRADE AND OTHER RECEIVABLES *(Continued)*

As at 31 December 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately HK\$8,943,000 (2024: HK\$48,430,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$3,009,000 (2024: HK\$48,093,000) has been past due 90 days or more and is not considered as in default because there was no historical default of payments by the respective customers. The Group does not hold any collateral over these balances.

As at 31 December 2025, included in other receivables were amounts due from minority shareholders of subsidiaries of approximately HK\$408,000 (2024: HK\$2,828,000) which was unsecured and repayable on demand. Except for an amount of approximately HK\$Nil (2024: HK\$1,702,000) which carried interest at 12% per annum, the remaining amounts due from minority shareholders of subsidiaries were interest-free.

Details of impairment assessment are set out in Note 38(b)(ii).

23 RESTRICTED BANK DEPOSITS

Restricted bank deposits as at 31 December 2024 comprised:

	HK\$'000
Maintained for the purpose of settlements of outstanding payable to merchants when the third-party payment accounts' holders make purchase transactions with respective merchants (<i>Note</i>)	82,620
Maintained as reserve deposits to secure the Group's use of online business to business payment platforms provided by the banks	1,332
Maintained as reserve deposits to the general risk reserve funds as governed by the PRC government	1,102
	<u>85,054</u>

Note: These restricted deposits were maintained to fulfil the requirements as per announcement of the PBOC (No. 6 2013) "Measures for the Custody of Clients' Reserves of Payment Institutions" (the "Announcement"). As set out in the Announcement, reserves received from the third-party payment accounts' holders by the Group must be deposited in the special-purpose deposit account as reserve at a reserves bank. The reserves could only be used for payments entrusted by third-party payment accounts' holders. Without approval by the third-party payment accounts' holders, the Group could not appropriate the reserves for similar purposes or for other purposes, lend the reserves, or use them to provide guarantee for others.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24 BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with original maturity of three months or less. As at 31 December 2025, the bank balances carry interest at prevailing market rates of 0.01%-0.05% (2024: 0.10%-0.25%) per annum.

25 TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	47,447	133,250
Accrued staff cost	7,985	23,370
Payables to merchants	–	44,709
Unutilised float funds (<i>Note</i>)	–	39,089
Other payables and accruals	31,760	96,565
	87,192	336,983

Note: The balances represented amounts prepaid by the third-party payment accounts' holders to the Group and unutilised at the end of the reporting period. The Group was required to pay to the merchants from these funds when the third-party payment accounts' holders made purchase transactions with respective merchants. The settlement terms with merchants varied and were dependent on the negotiation between the Group and individual merchants and number of purchase transactions.

The credit period on purchases of goods and service granted from suppliers is 30-60 days (2024: 30-60 days). The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0–30 days	12,340	125
31–60 days	800	–
61–90 days	704	–
Over 90 days	33,603	133,125
	47,447	133,250

As at 31 December 2025, included in other payables were amounts due to minority shareholders of subsidiaries of approximately HK\$17,421,000 (2024: HK\$17,317,000). The amounts are unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26 LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	666	4,374
Within a period of more than one year but not more than two years	411	3,687
	1,077	8,061
Less: Amount due for settlement with one year shown under current liabilities	(666)	(4,374)
Amount due for settlement after one year shown under non-current liabilities	411	3,687

27 PENALTY PAYABLE

得仕股份有限公司 (Day's Enterprise Company Limited*) ("Days Services"), the Company's indirect partially owned subsidiary, held a license issued by the PBOC authorising the provision of third-party payment services in the PRC (the "Payment License") which was expired on 28 August 2021. An application had been made for a renewal of the Payment License (the "Application"). On 29 August 2021, Days Services was informed that the PBOC had decided to suspend the review process pending further clarification and/or verification of certain information in relation to Days Services' suitability to continue to be a licensee, and will resume the review process of the renewal afterwards.

In 2023, the PBOC imposed a penalty of approximately RMB88,731,000 (equivalent to approximately HK\$97,434,000) to Days Services and the full amount was provided as at 31 December 2023.

On 9 February 2024, Days Services was informed that the PBOC had decided to resume the review process in respect of the Application submitted in 2021. However, on 20 January 2025, PBOC served Days Services with a written notice deciding not to approve the Application (the "PBOC Decision"). As such, Days Services filed an administrative lawsuit with Beijing Financial Court on 11 February 2025 against the PBOC Decision. Beijing Financial Court formally accepted the case on 27 February 2025 and scheduled the first hearing to be on 20 May 2025.

On 16 June 2025, the penalty payable was derecognised upon the completion of disposal of subsidiaries, details of which are set out in note 32(a).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28 BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Unsecured		
– Bank borrowings (Note (i))	–	1,156
– Other borrowings (Note (ii))	13,596	79,527
	13,596	80,683

The exposure of the bank and other borrowings and the contractual maturity dates are as follows:

	2025 HK\$'000	2024 HK\$'000
The carrying amounts of the borrowings are repayable:		
Within one year	13,596	80,683
Less: Amount due for settlement within one year shown under current liabilities	(13,596)	(80,683)
Amount due for settlement after one year shown under non-current liabilities	–	–

Notes:

- (i) As at 31 December 2024, the Group had two fixed-rate bank borrowings of RMB1,060,000 in aggregate (equivalent to approximately HK\$1,156,000), which were denominated in RMB and carried interest at 2% to 9.792% per annum. The bank borrowings were unsecured and were repaid in 2025.
- (ii) As at 31 December 2025, the Group had certain other borrowings totaling of approximately HK\$6,256,000 (2024: HK\$5,277,000) in aggregate, which carried interest at 1% to 1.5% per month (2024: 1.5% per month). The borrowings are unsecured and repayable on demand (2024: repayable in 2025).

As at 31 December 2025, the Group had two (2024: two) interest-free other borrowings totaling of approximately HK\$7,340,000 (2024: HK\$7,340,000), which are unsecured and repayable on demand (2024: repayable in 2025).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29 CONVERTIBLE BONDS

On 22 December 2021, the Company issued convertible bonds in an aggregate principal amount of HK\$46,000,000 (the “Convertible Bonds”) in Hong Kong with a coupon rate of 6.0% per annum and a maturity of 18 months. The conversion period is the thirtieth day up to the seventh day prior to 22 June 2023 (the “Maturity Date”) and the price of shares to be issued in exercise of the right of conversion is initially HK\$2.4 per share and the conversion price of Convertible Bonds would be adjusted accordingly when the Company distributes stock dividends, issues new shares or places new shares, distributes cash dividend. On the Maturity Date, the Company would redeem all outstanding Convertible Bonds at 106% of the principal amount together with interest accrued up to Maturity Date. Details of the Convertible Bonds are set out in the Company’s announcements dated 29 November 2021 and 22 December 2021.

No conversion or redemption of the Convertible Bonds has occurred up to Maturity Date. Subsequent to the default of the Convertible Bonds, an additional interest will be accrued at the rate of 10% per annum from the date of occurrence of default until all sums due in respect of such Convertible Bonds are fully settled. Up to the date of this report, the negotiation with the bondholders in respect of the repayment plan is still in progress.

As at 31 December 2025 and 2024, the Company was in default under the terms and conditions of the relevant agreements of the Convertible Bonds for the aggregate principal amount and interests of approximately HK\$65,402,000 (2024: HK\$60,458,000).

The movement of Convertible Bonds for the year is set out as below:

	Debt component HK\$'000
As at 1 January 2024	55,501
Interest charge (<i>Note 9</i>)	4,957
As at 31 December 2024 and 1 January 2025	60,458
Interest charge (<i>Note 9</i>)	4,944
As at 31 December 2025	65,402

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30 SHARE CAPITAL

	Number of shares	Amount HK\$'000
--	------------------	--------------------

Ordinary shares of HK\$0.01 each

Authorised share capital:

At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025

10,000,000,000	100,000
----------------	---------

Issued share capital:

At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025

1,065,454,100	10,654
---------------	--------

31 SHARE-BASED PAYMENT TRANSACTIONS

Equity – settled share option scheme of the Company

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 30 June 2021 for the primary purpose of providing incentives to selected grantees. Under the Share Option Scheme, the Directors may grant options to selected grantees, to subscribe for shares in the Company.

At 31 December 2025, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 16,600,000 (2024: 17,340,000), representing 1.5% (2024: 1.6%) of the shares of the Company in issue. The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options may be exercised at any time from the date of grant of the share option to the 9th anniversary of the date of grant. The exercise price is determined by the Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of share options granted are as follows:

Date of grant	Number of options	Exercise period	Exercise price
27 July 2021	27,000,000	27 July 2021 to 26 July 2030	HK\$2.056

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31 SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Equity – settled share option scheme of the Company *(Continued)*

The following table discloses movements of the Share Option Scheme during the year:

	Exercise price	Date of grant	Outstanding at 1 January 2025 '000	Lapsed during the year '000	Outstanding at 31 December 2025 '000
Director					
Dr. Shi Ping	HK\$2.056	27 July 2021	740	(740)	–
Employees (Note (i))	HK\$2.056	27 July 2021	6,600	–	6,600
Consultants	HK\$2.056	27 July 2021	10,000	–	10,000
Total			17,340	(740)	16,600
Exercisable at the end of the year					16,600
Weighted average exercise price			HK\$2.056	N/A	HK\$2.056

	Exercise price	Date of grant	Outstanding at 1 January 2024 '000	Lapsed during the year '000	Outstanding at 31 December 2024 '000
Directors					
Mr. Li Gong <i>(Note (iii))</i>	HK\$2.056	27 July 2021	740	(740)	–
Dr. Shi Ping <i>(Note (iii))</i>	HK\$2.056	27 July 2021	740	–	740
Employees	HK\$2.056	27 July 2021	7,380	(780)	6,600
Consultants	HK\$2.056	27 July 2021	10,000	–	10,000
Total			18,860	(1,520)	17,340
Exercisable at the end of the year					17,340
Weighted average exercise price			HK\$2.056	N/A	HK\$2.056

Notes:

- (i) The share options granted to employees remain effective for three months from the date of resignation on 15 October 2025.
- (ii) Mr. Li Gong resigned as an independent non-executive director on 27 June 2024.
- (iii) The share options granted to Dr. Shi Ping remains effective for three months from the date of resignation on 16 October 2024.

The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 5 years (2024: 6 years).

During the year ended 31 December 2025, the Group transferred approximately HK\$746,000 (2024: HK\$1,466,000) from share-based payment reserve to accumulated losses upon the lapse of share options.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32 DISPOSAL OF SUBSIDIARIES

(a) PAD (BVI)

On 27 March 2025, the Company entered into a sale and purchase agreement to dispose of its entire equity interest in PAD (BVI) to a former shareholder at a cash consideration of HK\$1. PAD (BVI) and its subsidiaries were engaged in the provision of third-party payment services. The details of disposal are set out in the Company's announcement dated 27 March 2025 and 16 June 2025 and circular dated 30 May 2025. The disposal was completed on 16 June 2025.

The net liabilities of PAD (BVI) and its subsidiaries at the date of disposal were as follows:

	HK\$'000
Net liabilities disposed of	
Property, plant and equipment	1,361
Inventories	189
Trade and other receivables	218,680
Restricted bank deposits	78,820
Bank balances and cash	727
Trade and other payables	(180,782)
Penalty payable	(96,227)
Borrowings	(68,531)
	<u>(45,763)</u>
Gain on disposal of subsidiaries:	
Consideration received	—*
Non-controlling interests	(31,273)
Net liabilities disposed of	45,763
Release of reserves upon disposal	19,377
	<u>33,867</u>
Net cash outflow arising on disposal:	
Total cash consideration received	—*
Cash and cash equivalents disposal of	(727)
	<u>(727)</u>

* Represent HK\$1.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32 DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) China Mutual Digital Science (Beijing) Technology Co. Ltd* (中互數科(北京)科技有限公司) (“China Mutual”)

In October 2024, the Group entered into an agreement to dispose of its 90% equity interest in China Mutual to an independent third party at RMB300,000 (equivalent to approximately HK\$337,000). China Mutual was engaged in the provision of information and data services. The disposal was completed on 30 October 2024.

The net liabilities of China Mutual at the date of disposal were as follows:

	HK\$'000
Net liabilities disposed of	
Property, plant and equipment	197
Trade and other receivables	738
Bank balances and cash	1,478
Trade and other payables	(4,571)
	<u>(2,158)</u>
Gain on disposal of a subsidiary:	
Consideration received	337
Non-controlling interest	(3,204)
Net liabilities disposed of	2,158
	<u>(709)</u>
Net cash outflow arising on disposal:	
Total cash consideration received	337
Cash and cash equivalents disposal of	(1,478)
	<u>(1,141)</u>

* English translated name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33 MAJOR NON-CASH TRANSACTIONS

In 2024, upon the completion of the disposal of the entire equity interest in Rookwood Investment Limited, the then wholly-owned subsidiary of the Company, the balance of financial guarantee contract liabilities was offset against the balance of retained interest in the deconsolidated subsidiaries.

34 RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of the executive directors of the Company, who represent the key management personnel of the Group, during the year was as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	1,653	4,720
Post-employment benefits	172	217
	1,825	4,937

35 RETIREMENT BENEFITS SCHEMES

The Group participates in a defined contribution scheme which is registered under a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees.

For members of 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 monthly cap of HK\$1,500.

Employees of the Company's PRC subsidiaries are required to participate in a defined contribution retirement scheme operated by the local municipal government. The PRC subsidiaries are required to contribute 10% of the employee payroll to such scheme to fund the retirement benefits of the employees.

The total expense recognised in profit or loss of HK\$552,000 (2024: HK\$2,476,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. No forfeited contributions have been applied to reduce the retirement benefits scheme contributions for the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Convertible bonds HK\$'000	Interest payables (included in trade and other payables) HK\$'000	Borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	55,501	8,053	5,487	7,864	76,905
Financing cash flows	–	(6,142)	74,717	(6,207)	62,368
Lease modification	–	–	–	6,152	6,152
Interest expenses	4,957	15,093	–	459	20,509
Exchange adjustments	–	–	479	(207)	272
At 31 December 2024 and 1 January 2025	60,458	17,004	80,683	8,061	166,206
Financing cash flows	–	(51)	(580)	(3,160)	(3,791)
New leases entered	–	–	–	2,021	2,021
Lease termination	–	–	–	(6,081)	(6,081)
Interest expenses	4,944	1,015	–	208	6,167
Disposal of subsidiaries (<i>Note 32(a)</i>)	–	(14,119)	(68,531)	–	(82,650)
Exchange adjustments	–	–	2,024	28	2,052
At 31 December 2025	65,402	3,849	13,596	1,077	83,924

37 CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes lease liabilities, borrowings and convertible bonds disclosed in Notes 26, 28 and 29 respectively, net of bank balances and equity attributable to owners of the Company, comprising issued share capital, reserves and non-controlling interests.

The management of the Group reviews the capital structure on an on-going basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at FVTPL	42,655	92,236
Financial assets at amortised cost	74,965	430,281
Financial liabilities		
Financial liabilities at amortised costs	166,659	580,822

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, restricted bank deposits, bank balances and cash, trade and other payables, penalty payable, borrowings and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings, lease liabilities and convertible bonds. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

- (i) Interest income from financial assets that are measured at amortised cost is as follows:

	2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost	230	411

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(i) Market risk *(Continued)*

Interest rate risk (Continued)

- (ii) Interest expense on financial liabilities not measured at FVTPL:

	2025 HK\$'000	2024 HK\$'000
Financial liabilities at amortised cost	6,167	20,509

Sensitivity analysis

The Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant, therefore no sensitivity analysis on such risk has been prepared.

(ii) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables and deposits, restricted bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

Restricted bank deposits/bank balances

The credit risks on restricted bank deposits and bank balances are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

Other receivables and deposits

Management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The credit quality of deposits and other receivables has been assessed with reference to historical information about the default rates and financial position of the counterparties. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(ii) Credit risk and impairment assessment *(Continued)*

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

In addition, the Group performs impairment assessment under ECL model on trade receivables collectively. The trade receivables are grouped based on shared credit risk characteristics by reference to the Group's internal credit ratings. Details of the quantitative disclosures are set out below in this note.

The Group has concentration of credit risk as approximately 33.61% (2024: 98.6%) and approximately 69.68% (2024: 100%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for approximately 100% (2024: 100%) of the total trade receivables as at 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(ii) Credit risk and impairment assessment *(Continued)*

Financial guarantee contracts liabilities (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/ other items
A-B	The counterparty has a low risk of default and does not have any past-due amounts or repays after due date but usually settle after due date for not more than 90 days	Lifetime ECL – not credit-impaired	12-month ECL
C-D	Debtor frequently repays after due dates but has no default history	Lifetime ECL – not credit-impaired	12-month ECL
E	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Written-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Financial guarantee contracts liabilities (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

		External credit rating	Internal credit rating	12-month or lifetime ECL	2025 Gross carrying amount HK\$'000	2024 Gross carrying amount HK\$'000
Financial assets at amortised costs						
Trade receivables	22	N/A	(Note (2))	Lifetime ECL	9,259	135,661
Other receivables and deposits	22	N/A	(Note (1))	12-month ECL	41,719	281,273
Restricted bank deposits	23	A1-Ba1	N/A	12-month ECL	N/A	85,054
Bank balances	24	A1-Ba1	N/A	12-month ECL	32,105	37,949

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

2025	Past due HK\$'000	Not past due/ No fixed repayment terms HK\$'000	Total HK\$'000
Other receivables and deposits	–	41,719	41,719

2024	Past due HK\$'000	Not past due/ No fixed repayment terms HK\$'000	Total HK\$'000
Other receivables and deposits	–	281,273	281,273

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(ii) Credit risk and impairment assessment *(Continued)*

Financial guarantee contracts liabilities (Continued)

Notes: (Continued)

1. *(Continued)*

During the year ended 31 December 2025, the Group recognised an impairment allowance of approximately HK\$5,164,000 (2024: HK\$11,867,000) for other receivables and deposits.

2. For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on remaining debtors by internal credit rating collectively.

Internal credit rating

As part of the Group's credit risk management, the Group applies internal credit rating for its debtors. The following table provides information about the exposure to credit risk for trade receivables within lifetime ECL.

Gross carrying amount

	2025		2024	
	Average loss rate	Trade receivables HK\$'000	Average loss rate	Trade receivables HK\$'000
Grades A–B	0.11%	3,727	N/A%	–
Grades C–D	3.79%	5,146	1.57%	48,781
Grade E	30.19%	386	20.28%	794
Loss	N/A	–	100.00%	86,086
		9,259		135,661

During the year ended 31 December 2025, the Group reversed approximately HK\$691,000 (2024: provided approximately HK\$59,559,000) impairment allowance from continuing and discontinued operations for trade receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

(ii) Credit risk and impairment assessment *(Continued)*

Gross carrying amount (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables:

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2024	30,462	–	30,462
Transfer to credit-impaired	(27,601)	27,601	–
Impairment losses reversed from continuing operation	(1,708)	–	(1,708)
Impairment losses recognised from discontinued operation	–	61,267	61,267
Exchange adjustments	(223)	(2,782)	(3,005)
As at 31 December 2024 and 1 January 2025	930	86,086	87,016
Impairment losses reversed from continuing operation	(674)	–	(674)
Impairment losses reversed from discontinued operation	–	(17)	(17)
Disposal of subsidiaries	–	(86,657)	(86,657)
Exchange adjustments	60	588	648
As at 31 December 2025	316	–	316

The following tables show the movement that has been recognised for other receivables and deposits:

	12m ECL HK\$'000
At 1 January 2024	11,061
Impairment losses recognised from continuing operation	6,649
Impairment losses recognised from discontinued operation	5,218
Exchange adjustments	(288)
At 31 December 2024 and 1 January 2025	22,640
Impairment losses recognised from continuing operation	5,164
Impairment losses recognised from discontinued operation	70
Write-off	(4,181)
Disposal of subsidiaries	(16,197)
Exchange adjustments	306
At 31 December 2025	7,802

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

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

As mentioned in Note 3.1(c), the Group incurred a net loss of from continuing operation of HK\$27,500,000 for the year ended 31 December 2025 and, as of that date, the Group had net current liabilities and net liabilities of HK\$49,163,000 and HK\$48,511,000, respectively. The Directors are undertaking plans and measures to resolve the Group's liquidity issue. The Group will continue to undertake various measures in order to further improve its liquidity position in the longer term.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of the non-derivative financial liabilities based on the earliest date on which the Group can be demanded for repayment. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

	Weighted average interest rate %	On demand or within 1 year HK\$'000	1 – 2 years HK\$'000	2 – 5 years HK\$'000	After 5 years HK\$'000	Total undiscounted cash flow HK\$'000	Total carrying amount HK\$'000
As at 31 December 2025							
Non-derivative financial liabilities							
Trade and other payables	-	86,584	-	-	-	86,584	86,584
Borrowings	18.01%	14,692	-	-	-	14,692	13,596
Convertible bonds	10.00%	65,402	-	-	-	65,402	65,402
Lease liabilities	7.00%	720	420	-	-	1,140	1,077
		167,398	420	-	-	167,818	166,659

	Weighted average interest rate %	On demand or within 1 year HK\$'000	1 – 2 years HK\$'000	2 – 5 years HK\$'000	After 5 years HK\$'000	Total undiscounted cash flow HK\$'000	Total carrying amount HK\$'000
As at 31 December 2024							
Non-derivative financial liabilities							
Trade and other payables	-	335,798	-	-	-	335,798	335,798
Penalty payable	-	95,822	-	-	-	95,822	95,822
Borrowings	15.56%	85,776	-	-	-	85,776	80,683
Convertible bonds	10.00%	60,458	-	-	-	60,458	60,458
Lease liabilities	5.10%	4,649	3,770	-	-	8,419	8,061
		582,503	3,770	-	-	586,273	580,822

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant Unobservable inputs
	31 December 2025	31 December 2024			
Unlisted equity investment classified as financial assets at FVTPL	Assets HK\$26,747,000	Assets HK\$42,117,000	Level 2 (2024: Level 3)	Determined by the Directors with reference to recent transaction price completed near year end (2024: Adjusted net asset value of equity)	N/A (2024: Note (i))
Unlisted equity investment classified as financial assets at FVTPL	Assets HK\$15,908,000	Assets HK\$44,719,000	Level 3	Adjusted net asset value of equity	Note (i)
Unlisted equity investment classified as financial assets at FVTPL	N/A	Assets HK\$Nil	Level 3	Adjusted net asset value of equity (Note (ii))	N/A
Financial products	N/A	Assets HK\$5,400,000	Level 2	Discounted cash flow – Future cash flows are estimated based on expected return, discounted at a rate that reflects the risk of underlying investments	N/A

Notes:

- (i) The significant unobservable inputs of the investment are the net asset value of the underlying investments made by the funds. The higher the net asset value of the underlying investments, the higher the fair value of the financial assets at FVTPL will be. The Group determines that the reported net asset values represent the fair values of the investments provided by the external counterparties.
- (ii) The fair value of unlisted equity investment at 31 December 2024 was zero.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38 FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Except as described in Note (i) above, there are no transfers between Levels 1 and 2, or transfers into or out of Level 3 during the year ended 31 December 2025 and 2024. 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.

Reconciliation of Level 3 fair value measurements

	Unlisted equity investment classified as financial assets at FVTPL HK\$'000	Retained interest in the deconsolidated subsidiaries HK\$'000
As 1 January 2024	–	508,618
Transfer from Level 2	88,281	–
Gain on fair value change	450	–
Exchange difference	(1,895)	–
Non-cash transaction <i>(Note 33)</i>	–	(508,618)
As 31 December 2024 and 1 January 2025	86,836	–
Transfer to Level 2	(42,117)	–
Purchase	43,356	–
Disposal	(71,603)	–
Loss on fair value change	(1,166)	–
Exchange difference	602	–
As 31 December 2025	15,908	–

Of the total gains or losses for the period included in profit or loss, approximately HK\$10,921,000 loss (2024: HK\$450,000 gain) relates to unlisted equity investment classified as financial assets at FVTPL held at the end of the current reporting period. Fair value gains or losses on unlisted equity investment classified as financial assets at FVTPL are included in "Other gains and losses, net".

(d) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amount of the Group's current financial assets and current financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Property, plant and equipment	–	–
Right-of-use assets	1,063	391
Investments in subsidiaries	78	78
	1,141	469
Current assets		
Other receivables	2,636	2,802
Amounts due from subsidiaries	227,353	223,251
Bank balances and cash	13	1,728
	230,002	227,781
Current liabilities		
Other payables	18,611	18,262
Borrowings	13,596	13,096
Amounts due to subsidiaries	8,312	–
Convertible bonds	65,402	60,458
Lease liabilities	666	411
	106,587	92,227
Net current assets	123,415	135,554
Total assets less current liabilities	124,556	136,023
Non-current liability		
Lease liabilities	411	–
	411	–
Net assets	124,145	136,023
Capital and reserves		
Share capital	10,654	10,654
Reserves	113,491	125,369
Total equity	124,145	136,023

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

Details of the movements in the Company's reserve are set out below:

	Share premium HK\$'000	Accumulated losses HK\$'000	Share-based payment reserve HK\$'000	Total HK\$'000
At 1 January 2024	770,355	(338,890)	17,549	449,014
Loss and total comprehensive expense for the year	–	(323,645)	–	(323,645)
Lapse of share options (Note 31)	–	1,466	(1,466)	–
At 31 December 2024 and 1 January 2025	770,355	(661,069)	16,083	125,369
Loss and total comprehensive expense for the year	–	(11,878)	–	(11,878)
Lapse of share options (Note 31)	–	746	(746)	–
At 31 December 2025	770,355	(672,201)	15,337	113,491

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of subsidiaries	Place and date of incorporation/ establishment	Country/ place of operation	Issued and fully paid share capital/ registered capital	Attributable equity interest of the Group as at		Principal activities
				2025	2024	
PAD (BVI) (Note (iv))	BVI 8 January 2019	BVI	US\$1	–	100%	Investment holding
PAD LYGR Limited	BVI 5 November 2019	BVI	US\$10,000	100%	100%	Investment holding
LYGR (Beijing) (Note (i))	The PRC 7 September 2018	The PRC	RMB60,000,000	45.53%	45.53%	Provision of information and data services
上海懋宏信息科技有限公司 Shanghai Maohong (Notes (ii), (iii), (iv) and (v))	The PRC 29 June 2015	The PRC	RMB27,700,000 Paid-up registered capital	–	51%	Provision of information technology services
Days Services (Notes (ii) and (iv))	The PRC 25 October 2006	The PRC	RMB150,000,000 Paid-up registered capital	–	28.98%	Provision of third-party payment services

Notes:

- (i) LYGR (Beijing) is a limited liability company established under the laws of the PRC and under the legal ownership of six independent third parties, of which five independent third parties were nominated by the Company (the "LYGR VIE Equity Owners"). 聯洋國信(北京)科技有限公司 Lian Yang Guo Xin (Beijing) Science and Technology Co. Ltd. ("LYGX (Beijing)"), an indirect subsidiary of the Company and the LYGR VIE Equity Owners entered into certain structured contracts namely, the Exclusive Business Consulting and Services Agreement, the Exclusive Call Option Agreement, the Equity Pledge Agreements and the Powers of Attorney (together, as "LYGR VIE Contracts"). The LYGR VIE Contracts provide the Group through LYGX (Beijing) with effective control over LYGR (Beijing).
- (ii) The companies are registered in the form of domestic limited liability company.
- (iii) Shanghai Maohong is a limited liability company established under the laws of the PRC and under the legal ownership of two independent third parties nominated by the Company (the "Maohong VIE Equity Owners"). 上海勝江信息科技有限公司 Shanghai Shengjiang Technology Company Limited ("Shanghai Shengjiang"), an indirect subsidiary of the Company, Shanghai Maohong and the Maohong VIE Equity Owners entered into certain structured contracts namely, the Exclusive Technology Consulting and Services Agreement, the Exclusive Call Option Agreement, the Equity Interest Pledge Agreements, the Powers of Attorney and the Spousal Consent Letters (together, as "Maohong VIE Contracts"). The VIE Contracts provide the Group through Shanghai Shengjiang with effective control over Shanghai Maohong.
- (iv) These entities were disposed of on 16 June 2025 (Note 32(a)).
- (v) English translated name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

None of the subsidiaries has issued any debt securities at the end of the year.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss attributed to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Mao Hong Information Technology Holding Limited (Maohong)	BVI	N/A	49%	(12,996)	(98,791)	–	(15,698)
LYGR	Cayman	43.09%	43.09%	(7,509)	(113,831)	21,538	33,808
				(20,505)	(212,622)	21,538	18,110

As Maohong was disposed of during the year ended 31 December 2025 (see Note 32(a)), therefore it is not required to include the relevant disclosure for the material non-controlling interest as at 31 December 2025. Summarised financial information in respect of Maohong (for 2024 only) and LYGR that have material non-controlling interests are set out below. The summarised financial information below represents amounts before intragroup eliminations:

	LYGR		Maohong	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December				
Current assets	246,973	272,966	–	305,848
Non-current assets	83,413	186,240	–	1,353
Current liabilities	(194,130)	(313,343)	–	(322,132)
Non-current liabilities	–	(3,986)	–	–
Net assets/(liabilities)	136,256	141,877	–	(14,931)
Equity attributable to:				
– Owners of the Company	94,024	108,069	–	767
– Non-controlling interest	42,232	33,808	–	(15,698)
	136,256	141,877	–	(14,931)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

	LYGR		Maohong	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
For the year ended 31 December				
Revenue	79,186	167,673	–	1,159
Expenses	(85,710)	(206,915)	–	(132,472)
Profit/(loss) for the year	(6,524)	(39,242)	–	(131,313)
Profit/(loss) for the year attributable to:				
– Owners of the Company	986	74,589	–	(32,522)
– Non-controlling interests	(7,510)	(113,831)	–	(98,791)
	(6,524)	(39,242)	–	(131,313)
Other comprehensive income/(expense) for the year attributable to:				
– Owners of the Company	(904)	(1,129)	–	228
– Non-controlling interests	(915)	25	–	(534)
	(1,819)	(1,104)	–	(306)
Net cash outflow from operating activities	(32,749)	(10,910)	–	(153,335)
Net cash inflow/(outflow) from investing activities	34,012	15,855	–	(848)
Net cash (outflow)/inflow from financing activities	(3,571)	(5,117)	–	66,582
Net cash outflow	(2,308)	(172)	–	(87,601)

41 EVENT AFTER REPORTING PERIOD

Subsequent to end of the reporting period, the Petition dated 19 January 2026 was filed by Ho Kin (the “Petitioner”) at the High Court in connection with a financial obligation of the Company in the amount of approximately HK\$6,179,000, comprising an alleged outstanding principal of HK\$3,629,000 and alleged accrued interest of HK\$2,550,000, purportedly arising from a series of loan agreements between the Petitioner and the Company dated 21 January 2021, 11 March 2021, 26 March 2021 and 28 May 2021. The Company disclosed the Petition by way of inside information announcements published on the Stock Exchange dated 19 January 2026 and 28 January 2026.

The above mentioned liabilities are included in the consolidated financial statements for the year ended 31 December 2025. As at the date of approval of these consolidated financial statements, the Directors are still monitoring the progress of the Petition and will take such actions as they consider appropriate to safeguard the interests of the Company and its shareholders as a whole.

Financial Summary

	For the year ended 31 December				
	2025 HK\$'000	2024 HK\$'000 (Restated)	2023 HK\$'000	2022 HK\$'000 (Restated)	2021 HK\$'000
Revenue	79,186	167,673	563,539	441,913	608,158
Loss for the year from continuing operations	(27,500)	(355,815)	(132,463)	(89,216)	(633,273)
Profit/(loss) for the year from discontinued operation	4,897	(140,555)	(5,814)	(13,517)	–
Loss for the year	(22,603)	(496,370)	(138,277)	(102,733)	(633,273)
Loss for the year attributable to					
Owners of the Company	(2,098)	(283,748)	(59,900)	(85,329)	(238,682)
Non-controlling interests	(20,505)	(212,622)	(78,377)	(17,404)	(394,591)
	(22,603)	(496,370)	(138,277)	(102,733)	(633,273)

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets and liabilities					
Total assets	118,756	549,210	1,628,712	1,671,056	1,789,818
Total liabilities	(167,267)	(585,439)	(1,171,970)	(1,156,555)	(1,234,243)
	(48,511)	(36,229)	456,742	514,501	555,575
(Deficit)/equity attributable to owners of the Company	(73,895)	(54,339)	229,723	202,991	211,989
Non-controlling interests	25,384	18,110	227,019	311,510	343,586
	(48,511)	(36,229)	456,742	514,501	555,575

Notes:

- (1) The financial figures for the years ended 31 December 2024 and 2023 were extracted from the consolidated financial statements.
- (2) The financial figures for the years ended 31 December 2020 to 2022 were extracted from the 2021 and 2022 annual reports. No restatements for the result of continuing operations and discontinued operation were made on the financial figures for the years ended 31 December 2020 to 2022 in respect of the deconsolidation of subsidiaries which was classified as a discontinued operation during the year ended 31 December 2023.