



中微金融
CHINA VÊRED FINANCIAL

**China Vered Financial
Holding Corporation Limited**

中微金融控股有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 245



Annual Report

2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Li Feng (*Chief Executive Officer*)

Xie Fang (*Chief Risk Officer*)

Cao Jianmei (Resigned on 9 May 2025)

Non-executive Directors

Ng Kian Guan (*Chairman*)

Sun Haoshu (Appointed on 9 May 2025)

Independent Non-executive Directors

Cheng Tai Sheung (Designated as Lead Independent
Non-executive Director on 21 January 2025)

Ko Ming Tung, Edward

Sun Junchen

Wong Ka Wai

AUDIT COMMITTEE

Wong Ka Wai (*Chairman*)

Cheng Tai Sheung

Ko Ming Tung, Edward

Sun Junchen

NOMINATION COMMITTEE

Ng Kian Guan (*Chairman*)

Cheng Tai Sheung

Ko Ming Tung, Edward

Sun Junchen

Wong Ka Wai

Sun Haoshu (Appointed on 9 May 2025)

Cao Jianmei (Appointed on 21 January 2025
and resigned on 9 May 2025)

REMUNERATION COMMITTEE

Cheng Tai Sheung (*Chairman*)

Ko Ming Tung, Edward

Sun Junchen

Wong Ka Wai

COMPANY SECRETARY

Wong Wai Yee Ella

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

China Construction Bank Corporation

China Merchants Bank, Hong Kong Branch

China Minsheng Bank, Hong Kong Branch

Chong Hing Bank Limited

CMB Wing Lung Bank Limited

Industrial Bank Co., Ltd., Hong Kong Branch

SOLICITORS

Hong Kong Law

Baker & McKenzie

INDEPENDENT AUDITOR

Forvis Mazars CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

REGISTERED OFFICE

Suites 2803-04, 28/F

South Island Place

8 Wong Chuk Hang Road

Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

STOCK CODE

245 HK

WEBSITE

www.chinavered.com



Mr. Ng Kian Guan

Chairman

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of China Vered Financial Holding Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I hereby present the annual report of the Group for the financial year ended 31 December 2025.

Looking back at 2025, the global economy demonstrated resilience amid an uneven recovery, with an increasingly pronounced divergence in growth between developed economies and emerging markets. Although geopolitical tensions had not fully subsided and the restructuring of the global trade landscape gave rise to periodic frictions, major central banks continued to pursue prudent and accommodative monetary policies, resulting in marginally improved market liquidity and a gradual recovery in investor sentiment. The economies of Mainland China and Hong Kong continued to undergo structural adjustments, with new growth drivers gradually replacing old ones. While domestic demand remained generally subdued, new consumption trends and emerging industries continued to create pockets of strength. Hong Kong’s capital markets were notably vibrant in 2025. By contrast, conditions in the property market became more polarised: the residential market saw stable prices and higher transaction volumes, while commercial property prices continued to decline.

Against this complex and shifting macroeconomic environment, the Group remained strategically focused and adhered to its operating principle of seeking progress while maintaining stability. During 2025, we further optimised our asset mix and, following prudent review, exited non-core businesses and underperforming markets in an orderly manner. This enabled the Group to redeploy resources more effectively towards strategic sectors with stronger long-term growth prospects. At the same time, the Group continued to strengthen its risk management framework and enhance liquidity buffers, ensuring resilience amid market volatility. Benefiting from the combined effects of a series of governance initiatives and investment portfolio adjustments, the Group’s total revenue for the year (including net gain on financial assets/liabilities) amounted to approximately HK\$170,164,000 (2024: HK\$545,873,000). The reversal of ECL allowances amounted to approximately HK\$9,369,000 (2024: provision for ECL allowances of HK\$39,179,000), resulting in a net profit of approximately HK\$123,823,000 for the year (2024: HK\$223,196,000), and basic earnings per share of 6.68 HK cents (2024: 12.85 HK cents).

CHAIRMAN'S STATEMENT

Looking ahead to 2026, global geopolitical turbulence is expected to persist. Diverging monetary policies among major economies, supply chain restructuring and trade uncertainties are likely to continue affecting global capital flows and asset pricing. In China, macroeconomic policy is expected to become more proactive and better coordinated, with greater emphasis on fostering new quality productive forces, expanding domestic demand, optimising the economic structure and supporting a sustained improvement in overall economic performance. Against this backdrop, the Group will remain anchored in Hong Kong while extending its presence across the Asia-Pacific region. The Group will continue to focus on sectors with clear long-term structural growth potential, including healthcare, clean energy and the digital economy, with particular attention to strategic emerging industries and quality assets capable of generating industrial synergies. The Group will also prudently explore real estate investment opportunities with stable cash flow characteristics, while steadily advancing the active optimisation of existing assets and the orderly disposal of projects exposed to risk. Moreover, in accordance with the compliance framework, the Group will actively pursue opportunities in frontier areas such as innovative technology, with a view to building a diversified portfolio across economic cycles. Meanwhile, the Group will further enhance its corporate governance standards and deepen our compliance culture and risk awareness, so as to ensure that business expansion and risk control remain properly aligned, and that we are able to create long-term, stable and sustainable returns for shareholders.

The Group and the Board are fully aware that the Group's steady progress depends on the trust of investors, the support of our business partners and the dedication of all employees. On behalf of the Board, I would like to express my sincere gratitude to all shareholders and business partners for their unwavering support for the Group's development. I would also like to extend my appreciation to the management team and every member of our staff for the professionalism and sense of responsibility they have demonstrated amid changes and challenges. Looking forward, the Group will continue to uphold the principle of balancing responsibility with value creation. In our pursuit of commercial success, we will remain committed to fulfilling our social responsibilities and promoting the coordinated development of the enterprise, society and the environment, as we move steadily towards a new stage of high-quality and sustainable development.

Ng Kian Guan

Chairman

Hong Kong, 27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2025, global economic growth remained at a relatively low level compared with 2024. According to the International Monetary Fund (IMF), global economic growth was maintained at approximately 3.3% in 2025, with a slower pace of expansion in aggregate demand. Consumption remained generally under pressure and continued to diverge across regions, while investment sustained moderate expansion, with the artificial intelligence sector becoming a key area of focus. Developed economies generally remained in the low-growth range of around 1.7%. The United States was relatively resilient, but its growth was expected to hover at around 2.0% due to macroeconomic cycle adjustments. The core reason for this moderation in growth lay in the lagged effects of prolonged monetary tightening and limited room for fiscal expansion commonly faced by developed economies. Although emerging markets and developing economies experienced volatility, they continued to serve as the main engine of global growth, with growth expected to exceed 4.0%. Mainland China maintained its development approach of seeking progress while maintaining stability in 2025, with GDP growth for the full year remaining at around 5%. Manufacturing investment continued to grow, and sectors associated with new quality productive forces became increasingly important contributors to growth. Nonetheless, structural contradictions persisted, namely the deep ongoing adjustment in the property market and the subdued pace of consumer spending recovery.

In Hong Kong, the economy demonstrated notable resilience amid a complicated domestic and external environment in 2025, with full-year GDP growth of approximately 3.5%. Overall economic performance was characterised by a divergence between domestic and external demand, as well as an uneven recovery across sectors. Merchandise trade performed strongly, supported by supply chain reconfiguration, robust market demand in Asia and solid demand for technology-related products. By contrast, growth in services exports was driven primarily by financial activity, while traditional sectors such as tourism and retail continued to recover at a slower pace. Although the unemployment rate edged higher during the year due to a combination of structural and cyclical factors, private consumption and fixed asset investment improved gradually, while active financial markets provided important support to the economic recovery.

In Hong Kong's capital market, IPO fundraising on the Stock Exchange increased further as compared with last year, maintaining a leading global ranking. Secondary market trading activity was also active. The Hang Seng Index rose by approximately 27.8% for the year, marking its best performance since 2017. The Hang Seng China Enterprises Index and the Hang Seng TECH Index increased by 22.3% and 23.5%, respectively. This upward trend in 2025 was mainly driven by the U.S. Federal Reserve's policy of interest rate cuts, optimism over the future development of artificial intelligence and continued inflows of southbound capital.

Overall, Hong Kong's economy remained stable amid domestic and external uncertainties in 2025, while structural challenges remained prominent, underscoring the urgent need to foster emerging industry clusters to enhance the economy's organic growth momentum.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Looking back over 2025, the Group maintained its broadly stable business development while advancing business transformation and high-quality growth in a structured and disciplined manner. Despite a complex and evolving domestic and external environment, the Group remained strategically focused and responded to challenges in a measured way, making tangible progress in various areas and further consolidating its development foundation.

In terms of corporate governance, the Group continued to enhance its governance mechanism, with strategic leadership and management optimisation as central priorities. Decision-making efficiency and operational effectiveness improved further, providing stronger support for the Company's development. To comply with the latest requirements under the Listing Rules of the Hong Kong Stock Exchange, the Group established its Climate Risk Management System during the year, systematically reviewed and refined a number of internal management policies and updated the terms of reference of the Board committees. These measures helped ensure that the governance structure remained closely aligned with regulatory requirements. At the same time, adjustments to its overseas structure progressed in an orderly manner. The Group formally exited the Canadian market, while its Asia-Pacific operations entered a more normalised stage of development, with operating efficiency improving steadily. In terms of investor relations, the Group continued to strengthen communication with investors and convey the Company's value proposition. During the year, it successfully completed its share consolidation and the change in board lot size, which helped improve market recognition and enhance the trading appeal of its shares. In addition, human resources development also progressed in tandem. Efforts were made to optimise its workforce structure, improve the stability of its core team and develop its talent pipeline and succession mechanisms, providing renewed momentum for the Group's business growth.

In terms of investment business, the Group adhered to a prudent and diversified asset allocation strategy and continued to focus on sectors with long-term growth potential. In respect of equity investments, the Group identified and selected high-quality targets in areas such as healthcare, technological innovation and new energy, and increased its deployment where appropriate. In respect of private credit business, diversified instruments such as bridge financing and structured financing were flexibly employed to provide value-added services to investee companies. Certain projects generated satisfactory returns within a relatively short period, enriching the Group's investment track record in private credit business. In addition, the Group captured opportunities arising from the development of the digital economy. A high-quality investment target in which the Group had previously made a key investment was successfully listed, enabling part of its underlying value to be realised. The Group will continue to closely monitor its market performance and realise investment value when appropriate opportunities arise. Meanwhile, the Group closely follows regulatory developments in the digital-asset sector and actively explores compliant business opportunities in emerging areas of the digital economy, preparing itself to capture early-mover advantages in the next wave of digital-economy growth. Taken as a whole, the Group's investment portfolio remained balanced in terms of growth, return and resilience, with an improving capacity to withstand cyclical fluctuations.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of secondary market business, the Group adjusted its investment strategy dynamically in response to changing market conditions and continued to refine the structure of its asset allocation. In respect of bond investment, the Group adhered to its diversified strategic portfolio, focusing both on subordinated bonds issued by financial institutions in order to capture medium-to-high yield opportunities and on investment-grade bonds to preserve liquidity and defensive quality. As such, bond investment income increased significantly. In respect of equities, the Group was able to capture market opportunities in a timely manner and generate steady value appreciation. Overall, through flexible allocation and refinement of strategies, the Group's secondary market business achieved an effective balance between risk and return, demonstrating sound market adaptability and strong portfolio management capability.

In terms of projects exposed to risk, the Group focused on establishing a multi-tiered and professional risk mitigation system to facilitate effective disposal and value regeneration of projects exposed to risk. During the year, the Group further improved its risk control system, established a cross-departmental coordination mechanism for key projects, and formed dedicated task forces to centrally advance the recovery of major non-performing projects. Several key projects achieved major breakthroughs, with substantial results in risk mitigation, effective control of secondary risks and continued optimisation of the asset structure, reflecting the Group's enhanced resilience to risk.

In terms of financial performance, through asset structure adjustment and operating cost control, the Group continued to improve its financial position in 2025. During the year, the proportion of highly liquid assets increased significantly, further enhancing the efficiency of capital allocation. Against the backdrop of phased adjustments in the income contribution of certain businesses, asset quality continued to improve steadily, and the Group recorded a net profit of approximately HK\$123,823,000 for the year, maintaining profitability for two consecutive years. With sufficient liquidity reserves, it is well-positioned for business expansion in the coming year. The Group will continue to adhere to the principle of pursuing progress while maintaining stability, with equal emphasis on quality and efficiency. Leveraging the governance foundation laid in 2025, together with our optimised asset structure and solid investment experience, the Group will further strengthen its strategic focus and resource integration in the coming year, capture market opportunities in a timely manner, and enhance its cross-cycle operating capabilities and capacity for sustainable development.

LOOKING AHEAD

Looking ahead to 2026, the global economy is expected to remain in a low-growth environment, with downside risks continuing to dominate the outlook. On the risk side, the negative impact of U.S. tariff policies will continue to unfold, while adverse factors such as heightened geopolitical tensions and rising sovereign debt risks will continue to weigh on the global economy. Trade protectionism and investment barriers are also expected to remain on the rise. On the opportunity side, however, positive factors such as a new round of fiscal expansion, the boom in AI investment and the deepening of South-South Cooperation may help boost growth momentum. Major central banks around the world are expected to continue adjusting their monetary policies flexibly in line with their respective economic and inflation conditions. In China, although external uncertainties remain substantial, stronger international competitiveness of China's products and their expansion into diversified markets are expected to continue supporting export growth, with GDP growth likely to remain within the target range of 4.5% to 5%. Hong Kong's economic development will face a complex and changing external environment, with the forces of globalisation and de-globalisation intertwined. Nevertheless, supported mainly by strong external trade, a recovery in domestic consumption and growth in investment, the economy is expected to maintain a steady and improving development momentum, with projected growth of approximately 3%.

MANAGEMENT DISCUSSION AND ANALYSIS

At this important juncture, the Group will build on the progress made in 2025 in governance enhancement and asset structure optimisation, and will foster its future-oriented, cycle-resilient core competitiveness across four key areas, namely asset management capability building, investment strategy enhancement, disposal of existing risk exposures and deepening of governance effectiveness:

From the perspective of asset management, the Group will seek to expand the scale of interest-bearing assets in the portfolio. While optimising the Group's asset liquidity and revenue stability, the Group will build a competitive investment track record and a professional brand image, enhance active management capabilities, accelerate the development and market promotion of the proprietary product system, expand diversified fundraising channels and build a core engine for sustainable medium- to long-term growth.

From the perspective of investment strategy, the Group will continue to focus on strategic sectors with long-term growth potential and structural opportunities. Leveraging Hong Kong's position as an international financial centre, the Group will deepen the exploration of asset allocation opportunities across the Asia-Pacific region, including Hong Kong, Singapore and Japan, and across different markets. On the one hand, we will continue to deepen our presence in strategic sectors such as healthcare, technological innovation and new energy, and closely monitor industry development trends and corporate growth trajectories. Prudent assessments will be carried out regarding the investment value of high-quality targets while capital will be deployed where risk-return dynamics are appropriate, thereby deepening industrial synergies. Meanwhile, the Group will continue to monitor innovative opportunities in the digital asset sector and will make forward-looking deployments at an appropriate time. On the other hand, we will seek to capture opportunities arising from macroeconomic cycles and regional markets and will selectively consider real estate-related assets with stable cash flow profiles and inflation-hedging characteristics in Hong Kong, Singapore and Japan, so as to broaden the diversification of our asset allocation and achieve rising portfolio returns and better risk diversification.

From the perspective of risk disposal, the Group will, with continued resolve, advance the effective disposal of existing risks and the further optimisation of its asset structure in a steady and orderly manner. In handling certain complex projects, the Group will, while adhering to strict compliance standards and taking into account cost-benefit analysis, innovate disposal approaches, optimise business models and cooperation mechanisms, and substantially improve disposal efficiency.

From the perspective of corporate governance, the Group will continue to enhance organisational governance and the adjustment of its overseas structure. Efforts will be made to optimise decision-making processes and cross-departmental collaboration efficiency while placing greater emphasis on professional development, research capability and analytical depth across its team. Through improved talent incentives and succession planning, it aims to build a professional team with strong alignment and execution capability. On this basis, the Group will continue to strictly comply with applicable regulatory requirements and to review, on an ongoing basis, the effectiveness of its risk management and internal control systems, with a view to maintaining adequate and appropriate resources so as to support the Group's prudent and sustainable operations.

The Group firmly believes that the ability to navigate economic cycles depends not only on sound macro judgement, but also on internal resilience and the capacity for continuous improvement. In the year ahead, the Group will continue to uphold a prudent and pragmatic business philosophy and advance with cautious yet determined steps, promoting its steady progress towards a new stage of high-quality, sustainable and resilient development, with a view to creating long-term and sustainable returns for shareholders and business partners.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2025, the consolidated revenue of the Group was approximately HK\$113,887,000 (2024: HK\$109,392,000), representing a slight increase of approximately 4% as compared with the corresponding year in 2024, mainly due to increase in investment income arising from dividend received from fund investments and partially offset by decrease in interest income during the year.

The analysis of the Group's total revenue recognised in the consolidated statement of profit or loss for the years ended 31 December 2025 and 2024 is as follows:

	2025 HK\$'000	2024 HK\$'000	Change
Interest income	51,001	62,400	(18%)
Commission and fee income	17,270	21,036	(18%)
Investment income	45,616	25,956	76%
Total revenue	113,887	109,392	4%

The Group recorded a profit of approximately HK\$123,823,000 for the year ended 31 December 2025, as compared to HK\$223,196,000 for the year ended 31 December 2024. The decrease in profit was mainly attributable to an aggregate net gain on investments (including financial assets/liabilities and associates) of approximately HK\$74.9 million for the year ended 31 December 2025, which represented a significant decrease as compared to a net gain of HK\$427.3 million for the year ended 31 December 2024. The effect of the aforesaid factor was partially offset by (i) a decrease in staff costs and related expenses with amount of approximately HK\$57.4 million recorded for the year ended 31 December 2025 as compared to HK\$157.9 million for the year ended 31 December 2024, and (ii) a reversal of impairment on financial assets of approximately HK\$9.4 million for the year ended 31 December 2025 as compared to a provision for impairment of HK\$39.2 million for the year ended 31 December 2024.

The table below presents the breakdown of segment revenue (including net gain on financial assets/liabilities) and reportable segment results for the years ended 31 December 2025 and 2024:

	Segment revenue and net gain			
	on financial assets/liabilities		Segment results	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Asset management	10,890	14,991	4,795	3,656
Securities	7,068	9,167	22,992	(31,350)
Investment holding	145,776	501,681	130,141	456,378
Total	163,734	525,839	157,928	428,684

MANAGEMENT DISCUSSION AND ANALYSIS

Asset management segment

The Group's asset management business represents the provision of asset management services to clients. The Group's asset management segment recorded revenue of approximately HK\$10.9 million for the year ended 31 December 2025 as compared to HK\$15.0 million for the year ended 31 December 2024 and profit of approximately HK\$4.8 million for the year ended 31 December 2025 as compared to HK\$3.7 million for the year ended 31 December 2024. The decrease in segment revenue was primarily due to the decrease in asset management fee income arising from the reduction of average aggregated net value of assets under management, while the increase in profit was mainly due to the decrease in segment operating costs during the year under review.

Securities segment

The Group's securities business mainly includes the provision of brokerage services, securities margin financing to clients, underwriting services to corporate clients for their fund raising activities in equity and debt capital market, financial advisory and financial arrangement services to clients. The Group's securities segment recorded revenue of approximately HK\$7.1 million for the year ended 31 December 2025 as compared to HK\$9.2 million for the year ended 31 December 2024 and profit of approximately HK\$23.0 million for the year ended 31 December 2025 as compared to a loss of approximately HK\$31.4 million for the year ended 31 December 2024. The decrease in segment revenue was mainly due to the decrease in interest income from margin financing, partially offset by the increase in fees received from clients, while the turnaround from loss to profit was principally attributable to the reversal of impairment on margin receivables during the year under review.

Investment holding segment

The Group's investment holding business mainly represents direct investments in investment funds, listed and unlisted debts and equities, alternative investments (such as real estate investments through investment funds) and private equities, and provision of loan financing services.

The Group's investment holding segment recorded revenue (including net gain on financial assets/liabilities) of approximately HK\$145.8 million for the year ended 31 December 2025 as compared to HK\$501.7 million for the year ended 31 December 2024 and profit of approximately HK\$130.1 million for the year ended 31 December 2025 as compared to HK\$456.4 million for the year ended 31 December 2024. The decrease in segment revenue and profit was mainly due to the impact of net gain on financial assets/liabilities of approximately HK\$56.3 million recorded for the year ended 31 December 2025, which represented a significant decrease as compared to HK\$436.5 million for the year ended 31 December 2024.

The total operating costs (including staff costs, premises expenses, legal and professional fees, depreciation, information technology expenses, finance costs, trading costs and other operating costs) for the year ended 31 December 2025 was approximately HK\$95,255,000 (2024: HK\$217,822,000), representing a decrease of approximately 56% which was primarily due to the decrease in staff costs and related expenses and the effective cost control measures implemented by the Group on the overall operating expenses for the year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

On financial position and cash flows:

- the Group's total assets were approximately HK\$4,833,421,000 as at 31 December 2025 (as at 31 December 2024: HK\$4,729,696,000), representing an increase of approximately 2.2%; and
- net cash (outflows)/inflows from operating activities, investing activities and financing activities were approximately HK\$(121,099,000), HK\$619,000 and HK\$(1,935,000) respectively for the year ended 31 December 2025 (2024: HK\$(218,525,000), HK\$(8,114,000) and HK\$(29,024,000) respectively).

Key financial and business performance indicators

The key financial and business performance indicators of the Group are comprised of profitability; loan receivables; impaired loan receivables to total loan receivables ratio; and gearing ratio.

The Group recorded a profit attributable to owners of the Company of approximately HK\$124,155,000 for the year ended 31 December 2025 as compared to HK\$222,816,000 for the year ended 31 December 2024.

Loan and interest receivables balance arising from lending business increased to approximately HK\$216,366,000 as at 31 December 2025 (as at 31 December 2024: HK\$118,175,000).

Based on HKFRS 9 ECL assessment on margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income, other trade receivables and other interest receivables, the Group recognised a reversal of ECL allowances of approximately HK\$9,369,000 in consolidated statement of profit or loss for the year ended 31 December 2025 (2024: provision for ECL allowances of HK\$39,179,000). ECL allowances to total margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income, other trade receivables, other interest receivables and other receivables ratio was approximately 66.0% as at 31 December 2025 (as at 31 December 2024: 73.3%). The Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its loan receivables and to take prompt actions to pursue loans recovery regarding potential problem credits.

As at 31 December 2025, the Group's gearing ratio (defined as total debt to total equity) was 0% (as at 31 December 2024: 0%). The Group strives to achieve appropriate leverage level in order to grow its business effectively, and at the same time continues to monitor its liquidity prudently, manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's cash and bank balances amounted to approximately HK\$302,123,000 (as at 31 December 2024: HK\$419,733,000) and the total debts amounted to HK\$Nil (as at 31 December 2024: HK\$Nil). The current ratio as at 31 December 2025 was approximately 853.6% (as at 31 December 2024: 414.1%), which indicated that the Group's overall financial position remained strong.

The Directors are of the opinion that there are sufficient financial resources for the Group to meet its obligations and business requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW

Funding, capital structure and capital management

The main objective of the Group's funding activities is to ensure the availability of funds at reasonable costs to meet all contractual financial commitments and to generate reasonable returns from available funds. The Group has implemented adequate measures to monitor the liquidity for business operations and any investment opportunities, and the foreseeable funding requirements to ensure certain subsidiaries of the Company continuously comply with the relevant rules and regulations.

The Group relies principally on its share capital, internally generated capital and other borrowings to fund its investments and loan lending business. The Group had no interest-bearing borrowings as at 31 December 2025 (as at 31 December 2024: HK\$Nil). Based on the level of total debt to total equity of the Group, the Group's gearing ratio stood at a healthy level of 0% as at 31 December 2025 (as at 31 December 2024: 0%). The Group's cash and cash equivalents were mainly denominated in Hong Kong dollars, US dollars, Renminbi and Japanese Yen. There were no foreign currency net investments hedged by foreign currency borrowings and other hedging instruments by the Group during the year under review.

With regard to the capital structure of the Company, on 28 March 2025, the Board proposed to implement a share consolidation (the "Share Consolidation") on the basis that every twenty (20) issued existing shares in the share capital of the Company be consolidated into one (1) consolidated share capital of the Company. The resolution of Share Consolidation was duly passed by the shareholders of the Company as ordinary resolution at the annual general meeting held on 27 June 2025. The Share Consolidation became effective on 2 July 2025. For further information, please refer to the announcements of the Company dated 28 March 2025 and 27 June 2025, the circular of the Company dated 28 May 2025 and the next day disclosure return of the Company dated 2 July 2025.

Asset quality and credit management

The Group will continue to manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management. Based on HKFRS 9 ECL assessment on loan and interest receivables, margin receivables, financial assets at amortised cost, debt instruments at fair value through other comprehensive income, other receivables and other interest receivables, the Group recognised a provision for/(reversal of) ECL allowances of approximately HK\$2,744,000, HK\$(21,596,000), HK\$1,574,000, HK\$7,465,000, HK\$376,000 and HK\$68,000 respectively in consolidated statement of profit or loss for the year ended 31 December 2025 (2024: HK\$234,000, HK\$34,021,000, HK\$(1,113,000), HK\$(796,000), HK\$Nil and HK\$6,833,000 respectively).

Furthermore, the Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its financial assets. Further, the Group's investments and cash and bank balances are placed with a diversified portfolio of reputable financial institutions.

Human resources management

The objective of the Group's human resources management is to reward and recognise well performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group. Staff enrolled in external training courses, seminars, professional and technical courses in order to update their technical knowledge and skills, to increase their awareness of the market developments, and to improve their management and business skills.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPOSURE TO EXCHANGE RATE FLUCTUATION AND RELATED HEDGING

The Directors consider that the Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in foreign currencies other than its functional currency, which is Hong Kong dollars. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency should the need arises.

STAFF AND REMUNERATION POLICY

As at 31 December 2025, the Group had 40 employees (as at 31 December 2024: 48 employees).

The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The remuneration policy and package of the Group's employees are periodically reviewed by the Group's management. In addition, the Group adopts a share award plan for eligible employees (including Directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2025, the Group did not have any charges on its assets (as at 31 December 2024: HK\$Nil).

CONTINGENT LIABILITIES

Details of the Group's contingent liabilities as at 31 December 2025 and 2024 are set out in note 32 to the consolidated financial statements.

CAPITAL COMMITMENTS

The Group has entered into contracts to commit investing into certain unlisted investment funds. The aggregate non-cancellable capital commitment as at 31 December 2025 amounted to approximately HK\$51,831,000 (as at 31 December 2024: HK\$12,292,000).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group had no material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed elsewhere in this annual report, the Group currently does not have any concrete plan for material investments or capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group had investments in financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost with an aggregate carrying amount of approximately HK\$3,950,773,000 (as at 31 December 2024: HK\$3,884,608,000). The details of significant investments (each of which with carrying value more than 5% of the total assets of the Group) as at 31 December 2025 are as follows:

Name of investee company/fund	Nature of investments	Investee's principal businesses	Number and percentage of shares/units held	Investment costs HK\$000	Fair value/ Carrying value as at	Percentage of Group's total assets as at	Unrealised gain/(loss) on change in fair value for the year ended	Realised gain/(loss) for the year ended
					31 December 2025 HK\$000	31 December 2025	31 December 2025 HK\$000	31 December 2025 HK\$000
eToro Group Ltd.	Investment in listed shares [^]	Social investment trading network	4,421,953 (5.34%)	356,203	1,208,872	25.0%	(351,727)	109,398
Wison New Energies Co., Ltd.	Investment in unlisted shares [^]	Marine engineering	142,732,048 (4.51%)	298,167	623,127	12.9%	223,882	-
Wisdom Moon (BVI) Limited	Investment in unlisted shares [^]	Renewable energy vehicles	5,2443 (52.44%)	594,100	624,100	12.9%	30,000	-

[^] Classified as financial assets at fair value through profit or loss

To the best of the Company's knowledge, the investee companies disclosed in the 'Significant Investments' section above are not connected persons of the Company. In particular, Wison New Energies Co., Ltd. does not constitute a connected person under the Listing Rules, notwithstanding that a subsidiary of a substantial shareholder of the Company also maintains an investment in it.

The Group's investment objective is to increase the value of its investment holding business in order to enhance returns for its shareholders. Through a risk-balanced investment strategy of targeting an appropriate mix of different types of investment instruments in its portfolio, including but not limited to listed equity securities which provide liquidity and capital appreciation, debt securities and interest-bearing instruments which provide recurring and stable stream of interest income, and unlisted equity and fund investments which provide a potential higher return in a medium to long term horizon, the Group seeks not only to widen its source of revenue, but also to achieve risk adjusted return in its overall investment portfolio.

Looking ahead, the stock market is expected to remain volatile. The performance of proprietary investment will be affected by unstable market conditions. The Group noticed that eToro Group Ltd., a company listed on the Nasdaq and one of the Group's significant investments, recorded a substantial fluctuation in its share price which may have impact on the Group's subsequent financial performance after the reporting period. The Group will continue to monitor the investment closely and assess its position in light of the prevailing market conditions and the investee's operational performance. The Group will continue to implement strict risk controls to minimise the impact of market volatility and will seek potential investment opportunities to diversify its investment portfolio with an aim to maximise value for the shareholders of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

QUALIFIED OPINION

As set out in the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report"), the auditor of the Company (the "Auditor") issued a qualified opinion in the independent auditor's report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2024. Further information regarding the qualified opinion last year was set out on pages 75 to 81 of the 2024 Annual Report. The Auditor issued a qualified opinion in the independent auditor's report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2025. In view of the qualified opinion, the Board would like to provide the following information.

(i) **Audit modification on comparability of the current year's figures and the corresponding figures for the year ended 31 December 2024**

Details of the modification

As stated in the independent auditor's report set out on pages 85 to 91 of this report, given the lack of sufficient appropriate audit evidence to evaluate the value of underlying assets of an unlisted fund (the "Fund F") as at 31 December 2023, the Auditor was unable to determine whether any adjustments to the carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment recognised during the years ended 31 December 2024 and 2023 in respect of the Fund F were necessary, which may have a significant impact on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ended 31 December 2024.

Management's position and assessment on the modifications

The management of the Company considered that the investment losses recognised for the Fund F only affected the comparative figures in relation to the opening carrying value of the Fund F for the year ended 31 December 2024 and had no impact on the opening balance on the consolidated financial statements of the Group for the year ended 31 December 2025. The Company would like to emphasize that the carrying amount of investment in the Fund F as at 31 December 2025 and 2024 was not qualified.

(ii) **Audit Committee's view on the modifications**

In respect of audit modification on comparability of the current year's figures and the corresponding figures for the year ended 31 December 2024, the Audit Committee was of the view that the qualified opinion for the year ended 31 December 2025 was only a consequential effect of the qualified opinion relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2024. The Audit Committee also reviewed the matters after discussion with the Auditor and the management, and confirmed that it agreed with the management's position and assessment of the qualified opinion. It is expected that there will be no longer any qualified opinion in the consolidated financial statements of the Group for the year ending 31 December 2026.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report and audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries include investment holding, provision of asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

The Group's revenue is mainly derived from business activities in Hong Kong, Mainland China and Japan. An analysis of the Group's revenue is set out in note 6 to the consolidated financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2025 are set out in note 18 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to various key risks including credit risk, interest rate risk, liquidity risk, operational risk and market risk. Details of the aforesaid key risks and risk mitigation measures are elaborated in note 3 "Financial Risk Management" to the consolidated financial statements included in this annual report.

The Group's long term profitability and business growth are affected by the volatility and uncertainty of macroeconomic conditions (including but not limited to gross domestic product growth, consumer and asset price levels, and credit demand), financial volatility (exacerbated by the recent tariff threats and divergent monetary policies of United States and other countries), and uncertain economic outlook and political conditions of Hong Kong, Mainland China, United States, Eurozone, Japan, Canada and other countries. The divergence of monetary policies in major advanced economies is expected to continue to contribute partly to the volatility of fund and trade flows and that of asset prices and economic growth momentum in Hong Kong and Mainland China. Financial risk could quickly spill over from one nation to another given their increasing economic and political ties amongst each other. In particular, the potential impact on economic activities and on property, stock and debt prices of Hong Kong are subject to political and economic developments of Mainland China, United States, Eurozone, Japan, Canada and other countries.

Impact of Local and International Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

Third-Party Risks

The Group has been relying on third-party service providers in parts of its business to improve the performance and efficiency of the Group. While gaining the benefits from external service providers, the management realises that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputable third-party providers and closely monitors their performance.

BUSINESS REVIEW

A fair review of the Group's business and its outlook are set out in the section headed "Management Discussion and Analysis". The significant events affecting the Group since the end of the financial year under review are set out in the paragraph headed "Significant Events After the Reporting Period" of this section.

The Group complies with the requirements under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Securities and Futures Ordinance (the "SFO") (Cap. 571 of the Laws of Hong Kong) for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and ordinances relating to occupational safety for the interest of employees of the Group.

The Group is committed to raising environmental awareness among its staff, partners, and stakeholders. It implemented energy saving practices in certain office premises. For example, the Group runs an internal recycling program on a continuous basis for consumable goods such as toner cartridges to minimise the impact on the environment and natural resources. The Group has taken the initiative to reduce energy use and waste, to use environmentally friendly products and aims to lead by example.

Going green will always continue to be a key focus for the Group. Green plants are kept in office and plant care service provider is responsible to take care of the plants every week. The Group currently uses and will continue to install lighting fixtures with LED lighting or T5 fluorescent tubes. Indoor temperature is maintained at 25°C to save energy.

The Group will review its environmental policies from time to time and will consider further eco-friendly practices in the operation of the Group's businesses to move towards enhancing environmental sustainability.

Further discussions on the Group's environmental policy and our relationship with various stakeholders are covered by the "Environmental, Social and Governance Report" section on pages 47 to 84 of this annual report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS

The Group recognises the accomplishment of the employees by providing comprehensive benefit packages, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group encompasses working relationships with business partners to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to business partners before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including the usage of business intelligence to understand customer trends and needs and regular analysis on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

REPORT OF THE DIRECTORS

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 consolidated statement of comprehensive income on pages 92 to 93 of this annual report.

The Directors do not recommend the payment of dividend in respect of the year ended 31 December 2025 (2024: HK\$Nil).

ANNUAL GENERAL MEETING

The 2026 annual general meeting (the "2026 AGM") is expected to be held in June 2026. A further announcement in relation to the date of the 2026 AGM and the closure of the register of members will be published on the websites of the Company and the Stock Exchange in accordance with the Listing Rules.

SHARE CAPITAL

Details of the shares are set out in note 28 to the consolidated financial statements.

RESERVES

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

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2025, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong), amounted to HK\$Nil (2024: HK\$Nil).

DONATIONS

During the year ended 31 December 2025, charitable and other donations made by the Group amounted to HK\$1,000,000 (2024: HK\$Nil).

FIVE YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, are summarised on page 182 of this annual report.

DIRECTORS OF THE COMPANY

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

Executive Directors

Li Feng (*Chief Executive Officer*)

Xie Fang (*Chief Risk Officer*)

Cao Jianmei (Resigned on 9 May 2025)

Non-executive Directors

Ng Kian Guan (*Chairman*)

Sun Haoshu (Appointed on 9 May 2025)

Independent Non-executive Directors

Cheng Tai Sheung (Designated as Lead Independent Non-executive Director on 21 January 2025)

Ko Ming Tung, Edward

Sun Junchen

Wong Ka Wai

The persons who were directors of the subsidiaries of the Company during the year and up to the date of this report (not including those Directors listed above) were:

Guo Yifan (Resigned on 1 June 2025)

Huang Yinying (Appointed on 5 June 2025)

Kong Suet Long (Resigned on 30 September 2025)

Lam Chi Chung

Lau Hoi Leung

Leung Cheuk Ho

Leung Man Chak

Lian Zhe (Appointed on 26 January 2026)

Liu Junliang (Resigned on 1 August 2025)

Mak Tsz Yeung (Resigned on 31 March 2025)

So Wai Lun (Resigned on 25 January 2026)

Zhao Zhaoran

Biographical Details of Directors and Senior Management

Biographical details of directors and senior management are set out on pages 44 to 46 of this annual report.

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, namely Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai a confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and the non-executive Directors has entered into a service agreement with the Company for a term of three years and will continue thereafter until termination in accordance with the terms of the agreement.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of three years, until terminated in accordance with the terms of the appointment letter.

No Director proposed for re-election at the 2026 AGM has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2025, the interests or short positions of each Director or chief executive of the Company in the shares (the "Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") under the Listing Rules, are set out below:

1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

Name of Director	Number of ordinary shares held		Total	Approximate percentage of the issued share capital (Note (b))
	Personal interests	Corporate interests		
Li Feng (Executive Director)	14,464,000	–	14,464,000	0.78%
Xie Fang (Executive Director)	14,401,500	–	14,401,500	0.77%

Notes:

- The Share Consolidation became effective on 2 July 2025. Immediately after the Share Consolidation, the number of ordinary shares held by each of the respective Directors was adjusted pursuant to the Share Consolidation upon the effective date.
- The percentage was calculated based on the total number of 1,859,097,962 ordinary shares of the Company in issue as at 31 December 2025.

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

2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2025, none of the Directors or chief executive of the Company, had any short position in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered during the year or subsisting at the end of the year are set out below:

Share Option Scheme

As at 31 December 2025, the Company had no share option scheme in effect and no outstanding or unexercised share options.

Share Award Plan

On 19 December 2018, the Company adopted a share award plan ("Share Award Plan"). Details of the Share Award Plan are set out below:

Purpose of the Share Award Plan:

The purposes of the Plan are to recognise and reward the contribution of Eligible Participants (as defined below) to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Eligible Participants:

Any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any Subsidiary or any Invested Entity (an "Employee"); any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity; any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the Share Award Plan, the Award may be made to any company wholly owned by one or more of the above participant. The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution and/or future contribution to the development and growth of the Group.

Maximum entitlement of each Eligible Participant:

The maximum number of shares which may be subject to an award or awards to a Selected Participant shall not in aggregate exceed 1% of the issued share capital of the Company as at 19 December 2018 (the "Adoption Date").

Maximum number of shares to be subscribed and/or purchased by the trustee pursuant to the Share Award Plan:

144,643,596 shares, representing approximately 7.78% of the issued share capital of the Company as at the date of this annual report.

REPORT OF THE DIRECTORS

Basis of determination of the purchase price of the shares awarded:	The purchase price of the shares awarded (if any) shall be such price within a range as determined by the Board, or the person(s) to which the Board has delegated its authority from time to time based on various consideration factors such as the prevailing market conditions as well as the average closing price of the shares of the Company in the recent period.
Number of share awards available for grant under the scheme mandate as at 1 January 2025:	57,873,096 shares (after taking into account the effect of Share Consolidation effective on 2 July 2025)
Number of share awards available for grant under the scheme mandate as at 31 December 2025:	57,873,096 shares
The amount payable on application or acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be paid:	Nil
Remaining life of the Share Award Plan:	The Share Award Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date. Accordingly, as at the date of this annual report, the remaining life of Share Award Plan is approximately 2 years and 9 months.

No shares were granted, exercised, cancelled and lapsed under the Share Award Plan during the year ended 31 December 2025.

Since there was no grant of share awards under the Share Award Plan during the year ended 31 December 2025, the number of shares that may be issued in respect of options and awards granted under all share schemes of the Company during the year ended 31 December 2025 was nil. Accordingly, the disclosure of the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 December 2025 divided by the weighted average number of shares in issue for the year ended 31 December 2025 is not applicable.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities. As of 31 December 2025, the Company did not hold any treasury shares.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Apart from the particulars disclosed in note 34 under the heading "Related Party Transactions" to the consolidated financial statements, there were no transaction, arrangement and contract of significance in relation to the Group's business to which the Company's holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director and the director's connected party had a material interest, whether directly or indirectly subsisted at the end of the year or at any time during the year.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in note 34 to the consolidated financial statements.

Provision of fund management services to JBC Fund I

On 15 March 2021, JBC Holdings Co., Ltd. ("JBC") became a connected subsidiary of the Company through subscription of 8,648 ordinary shares of JBC by Vered Holdings Co., Ltd. ("Vered Japan"), an indirect wholly-owned subsidiary of Vered Holdings (a substantial shareholder of the Company) (the "Subscription"). Following completion of the Subscription, JBC is owned as to approximately 50.997% by China Vered Asset Management (Hong Kong) Limited (a wholly-owned subsidiary of the Company) ("CVAM") and approximately 49.003% by Vered Japan.

JBC, as an executing partner, has been charging management fees in return for the management services provided to JBC Fund I (the "Fund") pursuant to the investment partnership agreement dated 24 March 2020 between CVAM Japan Strategy Limited (a wholly-owned subsidiary of the Company) ("CVJS") and JBC (the "Investment Partnership Agreement"). The provision of management services under the Investment Partnership Agreement to the Fund by JBC as executing partner and the payment of management fees by the Fund to JBC constitutes a continuing connected transaction under Rules 14A.25 and 14A.31 of the Listing Rules.

CVJS and JBC entered into a side letter on 15 March 2021 that notwithstanding the terms set out in the Investment Partnership Agreement, CVJS and JBC shall enter into separate agreement for renewal of fund management service for the Fund beyond 31 December 2023. For details, please refer to the announcements of the Company dated 15 March 2021 and 19 March 2021.

During the year ended 31 December 2024, CVJS and JBC entered into a side-letter (the "Side Letter"), pursuant to which the parties agreed to appoint JBC as the executing partner of the Fund for the three years ending 31 December 2026, and agreed to reduce the management fee payable to JBC from 1.5% of the total capital commitment to 0.5% of the deployed capital of the Fund with effect from 1 November 2024. Following the entering into of the Side Letter, the provision of management services constituted de minimis transactions of the Company and was therefore fully exempt from reporting, annual review, announcement, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

Connected Transactions

During the year ended 31 December 2025, the related party transactions described in note 34 to the consolidated financial statements do not constitute non-exempted connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules and have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate Directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2025, so far as was known to the Directors, the following persons, other than the Directors and chief executives of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company

Name	Capacity in which ordinary shares were held	Number of ordinary shares	Approximate percentage of the issued share capital (Note (f))
薔薇控股股份有限公司 ("Vered Holdings")	Interest of controlled corporation (Note (a))	502,150,000	27.01%
薔薇控股(深圳)有限公司	Interest of controlled corporation (Note (a))	502,150,000	27.01%
Vered Holdings (Hong Kong) Limited ("Vered Hong Kong")	Interest of controlled corporation (Note (a))	502,150,000	27.01%
Vered Investment Co., Ltd ("Vered Investment")	Interest of controlled corporation (Note (a))	502,150,000	27.01%
Vered Holdings Group Ltd ("Vered Cayman")	Beneficial owner (Note (a))	502,150,000	27.01%
Liu Xueyi	Interest of controlled corporation (Note (b))	251,725,569	13.54%
Prosper Ascend Limited	Beneficial owner (Note (b))	251,725,569	13.54%
中國民生投資股份有限公司 ("CMIG")	Interest of controlled corporation (Note (c))	175,130,930	9.42%

REPORT OF THE DIRECTORS

Name	Capacity in which ordinary shares were held	Number of ordinary shares	Approximate percentage of the issued share capital (Note (f))
中民投亞洲資產管理有限公司 ("CMI Asia")	Interest of controlled corporation (Note (c))	175,130,930	9.42%
CMI Financial Holding Company Limited ("CMIHK")	Beneficial owner (Note (c))	175,130,930	9.42%
Shao Jinxia	Interest of controlled corporation (Note (d))	175,000,000	9.41%
Hong Kong Baohui Toda Limited	Beneficial owner (Note (d))	175,000,000	9.41%

Notes:

- (a) 502,150,000 shares were held by Vered Cayman, which is wholly owned by Vered Investment, and which in turn is wholly owned by Vered Hong Kong. Vered Hong Kong is wholly owned by 薔薇控股(深圳)有限公司, which in turn is wholly owned by Vered Holdings.
- (b) 251,725,569 shares were held by Prosper Ascend Limited, which is wholly owned by Mr. Liu Xueyi. By virtue of the SFO, Mr. Liu Xueyi was deemed to have interest in the shares held by Prosper Ascend Limited.
- (c) 175,130,930 shares were held by CMIHK, which is wholly owned by CMI Asia (which is in turn wholly owned by CMIG).
- (d) 175,000,000 shares were held by Hong Kong Baohui Toda Limited, which is wholly owned by Mr. Shao Jinxia. By virtue of the SFO, Mr. Shao Jinxia is deemed to have interest in the shares held by Hong Kong Baohui Toda Limited.
- (e) The Share Consolidation became effective on 2 July 2025. Immediately after the Share Consolidation, the number of ordinary shares held by each of the respective shareholders was adjusted pursuant to the Share Consolidation upon the effective date.
- (f) The percentage has been calculated based on the total number of 1,859,097,962 ordinary shares of the Company in issue as at 31 December 2025.

Save as disclosed above, the Directors and the Chief Executive Officer (the "CEO") are not aware that there is any party who, as at 31 December 2025, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

REPORT OF THE DIRECTORS

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Award Plan" and "Directors' and Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Specified Undertaking of the Company or Any Other Associated Corporation" above, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial parts of the business of the Company were entered into or existed during the year ended 31 December 2025.

RETIREMENT BENEFITS

Mandatory Provident Fund Schemes ("MPF Scheme") has been set up for employees, including executive Directors of the Company, in Hong Kong, in accordance with the Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance"). Under the MPF Scheme, the Group's contributions are at 5% of employees' relevant income as defined in the MPF Ordinance up to a maximum of HK\$1,500 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

COMPETING INTERESTS

None of the Directors and their respective close associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year ended 31 December 2025 and up to the date of this annual report.

EMOLUMENT POLICY

The emolument policy of the Directors and senior management of the Group is set up by the remuneration committee of the Company (the “Remuneration Committee”) on the basis of their merit, qualifications and competence.

The emoluments of the Directors are reviewed and recommended by the Remuneration Committee, having regard to market competitiveness, individual performance and achievement.

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the revenue attributable to the five largest customers of the Group accounted for approximately 49.1% of the Group’s total revenue while the revenue attributable to the largest customer of the Group was approximately 29.3% of the Group’s total revenue. The Group is a provider of financial services. In the opinion of the Board, it is therefore of no value to disclose details of the Group’s suppliers.

Save as disclosed above, none of the Directors or any of their close associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company’s share capital) had any beneficial interest in the Group’s five largest customers or suppliers.

CORPORATE GOVERNANCE

Details of the Company’s corporate governance practices are set out in the “Corporate Governance Report” section of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2025 and up to the latest practicable date prior to the issue of this annual report, there was a sufficiency of public float the Company’s securities as required under the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group noted a significant decline in the market value of certain listed equity investments classified as financial assets at fair value through profit or loss, as compared to their fair values as at 31 December 2025, which may be primarily attributable to market sentiment and/or sector performance.

Save as disclosed above and elsewhere in this report, there was no other significant events after the year ended 31 December 2025 and up to the date of this report.

REPORT OF THE DIRECTORS

CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of Directors' information since the disclosure made in the annual report of the Company for the year ended 31 December 2024 are set out below.

Name of Director	Details of Changes
Mr. Ng Kian Guan	<p>Mr. Ng was appointed as the independent non-executive chairman of Hong Lai Huat Group Limited (Stock Code: CTO.SI), a company listed on the Singapore Exchange, with effect from 1 May 2025.</p> <p>Mr. Ng was also appointed as the lead independent non-executive director of AUTAGCO LTD. (Stock Code: 1D3.SI), a company listed on the Singapore Exchange, with effect from 10 April 2026.</p>
Ms. Sun Haoshu	<p>Ms. Sun was appointed as a non-executive Director and member of the Nomination Committee of the Company with effect from 9 May 2025.</p>
Ms. Cao Jianmei	<p>Ms. Cao resigned as executive Director and member of the Nomination Committee of the Company with effect from 9 May 2025.</p>
Mr. Sun Junchen	<p>Mr. Sun served as the independent director of Yimutian Inc. (Stock Symbol: YMT), a company listed on NASDAQ Stock Market from August 2025 to March 2026.</p> <p>Mr. Sun was appointed as an independent non-executive director, the chairman of nomination committee and the members of each of the audit committee and remuneration committee of China Sunshine Paper Holdings Company Limited (Stock Code: 2002), a company listed on The Stock Exchange of Hong Kong, with effect from 29 August 2025.</p> <p>Mr. Sun was also appointed as an independent non-executive director, the chairman of audit committee and the members of each of the remuneration committee and nomination committee of Quantgroup Holding Limited (Stock Code: 2685), a company listed on The Stock Exchange of Hong Kong, with effect from 26 November 2025.</p>

REPORT OF THE DIRECTORS

AUDITOR

The auditor appointed by the Company in the past three years is Forvis Mazars CPA Limited (“Forvis Mazars”).

The financial statements for the year ended 31 December 2025 have been audited by Forvis Mazars who will retire and, being eligible, offer themselves for re-appointment. An ordinary resolution for the re-appointment of Forvis Mazars as auditor of the Group will be proposed at the forthcoming 2026 AGM.

AUDIT COMMITTEE

The Company established an audit committee of the Company (the “Audit Committee”) with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, risk management and internal controls of the Group. As at the date of this report, the Audit Committee consisted of four independent non-executive Directors, namely Mr. Wong Ka Wai (chairman of the Audit Committee), Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward and Mr. Sun Junchen respectively.

An Audit Committee meeting was held on 27 March 2026 and attended by the four members of the Audit Committee, who have reviewed the consolidated financial statements of the Group for the year ended 31 December 2025.

By order of the Board
China Vered Financial Holding Corporation Limited
Ng Kian Guan
Chairman

Hong Kong, 27 March 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

The Company has complied with the Code Provisions of the CG Code throughout the year ended 31 December 2025.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

BOARD OF DIRECTORS

Functions and role

The Board has overall responsibility in formulating the strategic development of the Group, monitoring and controlling the Company's operation and financial performance. All of the appointed Directors are subject to rotation for re-appointment at the annual general meeting, and each of the Directors is subject to retirement by rotation at least once every three years. Appropriate and sufficient information was provided to each of the Directors to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company.

The independent non-executive Directors are expressly identified in all corporate communications such as circular, announcement or relevant corporate communications in which the names of Directors are disclosed. Each of the independent non-executive Directors has filed a confirmation to the Company confirming their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors meet the independence guideline set out in Rule 3.13 of the Listing Rules and are independent.

To the best knowledge of the Company, there is no financial, business, family relationship among the members of the Board for the year ended 31 December 2025. All of them are free to exercise their individual judgment.

CORPORATE GOVERNANCE REPORT

Composition

As at the date of this annual report, the Board comprises eight Directors, of which two are executive Directors, two are non-executive Directors and four are independent non-executive Directors. Three of the four independent non-executive Directors possess appropriate professional accounting qualifications and financial management expertise, which complies with the requirements of the Listing Rules. The Directors' respective biographical information is set out in this annual report under the heading "Biographical Details of Directors and Senior Management" and the names of current Directors on Board and their positions are as follows:

Name of Directors	Position
<i>Executive Directors</i>	
Mr. Li Feng	Chief Executive Officer
Mr. Xie Fang	Chief Risk Officer
<i>Non-executive Directors</i>	
Mr. Ng Kian Guan	Chairman
Ms. Sun Haoshu	
<i>Independent Non-executive Directors</i>	
Mr. Cheng Tai Sheung	Lead Independent Non-executive Director
Mr. Ko Ming Tung, Edward	
Mr. Sun Junchen	
Mr. Wong Ka Wai	

The Board held 11 Board meetings (including four regular Board meetings) during the year ended 31 December 2025. Appropriate and sufficient information was provided to the Board in a timely manner for their review before the meetings. Attendance of individual Directors at Board meetings is set out in the section of "Attendance of Board Meetings, Audit Committee Meetings, Nomination Committee Meetings, Remuneration Committee Meetings and Annual General Meeting in 2025".

Chairman and CEO

During the year ended 31 December 2025, the position of chairman of the Company ("Chairman") was held by Mr. Ng Kian Guan, whilst the position of CEO was held by Mr. Li Feng during the reporting period. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The CEO focuses on the Company's business development and daily management and operations generally.

CORPORATE GOVERNANCE REPORT

Board Practices

The Board, led by the Chairman, is responsible for overall management of the Company's business, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs and ensuring that good corporate governance practices and procedures are established. One of the important roles of the Chairman is to provide leadership to the Board to ensure that the Board acts in the best interests of the Group. The Chairman shall ensure that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. All Directors have been consulted about any matters proposed for inclusion in the agenda. The Chairman has delegated the responsibility for drawing up the agenda for each Board meeting to the secretary of the Board. With the support of executive Directors and the company secretary of the Company (the "Company Secretary"), the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. 11 Board meetings (including four regular Board meetings) were held during the year ended 31 December 2025 for facilitating the function of the Board. The Board believes that the Board meetings held during the year were adequate to cover all major issues during the year. In any event all Directors were available for consultation by management from time to time during the year ended 31 December 2025.

The Board also reserves for its decisions on all major matters of the Company, including the approval and monitoring of major policy matters, overall strategies and annual budgets and business plans, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information and other significant financial and operational matters. All Directors have made full and active contributions to the affairs of the Board and the Board always acts in the best interests of the Group. Apart from the regular Board meetings, the Chairman will hold at least one meeting annually with the independent non-executive Directors without the presence of executive Directors.

Management is responsible for the day-to-day operations of the Group under the leadership of the CEO. The CEO, working with the management team, is responsible for managing the businesses of the Group including implementation of strategies adopted by the Board and assuming full accountability to the Board for the operations of the Group.

During the year ended 31 December 2025, the Chairman met once with the independent non-executive Directors without the presence of executive Directors and the record of attendance of individual member is listed out on page 41 of this annual report.

In order to ensure that the Board is able to fulfill its responsibilities, the Board has established and delegated specific responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee. The details of the committees are stipulated on pages 35 to 39 of this report.

CORPORATE GOVERNANCE REPORT

Sufficient formal notice of every regular Board meeting is given to all Directors to give them the opportunity to attend. Board papers are circulated not less than three days before the Board meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings. The secretary of the Board shall attend all regular Board meetings and shall seek external advice on corporate governance, statutory compliance, accounting and financial matters when necessary. Directors shall have full access to information on the Group and are able to seek independent professional advice whenever deemed necessary. The secretary of the Board shall prepare minutes and keep records of matters discussed and decisions resolved at all Board meetings. Draft and final versions of Board minutes have been sent to all Directors for their comments and records respectively within a reasonable time after the board meeting.

Appropriate insurance cover on Directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the businesses of the Group.

Company Secretary

The Company Secretary, Ms. Wong Wai Yee Ella of Tricor Services Limited (a member of Vistra Group), is engaged by the Company as its company secretary. She is responsible to the Board for ensuring that Board procedures are followed and that the Board is fully briefed on all legislative, regulatory and corporate governance developments and has regard to them when making decisions. The Company Secretary is also responsible for advising the Board on the Group's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations.

The primary contact person of the Company is Mr. Ng Kian Guan, the Chairman of the Board. During the year ended 31 December 2025, Ms. Wong Wai Yee Ella undertook not less than 15 hours of professional training to update her skills and knowledge.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors, including non-executive Directors and independent non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Each newly appointed Director received a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and update all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025 and as at the date of this annual report, all Directors who remain in office have participated in continuous professional development relating to regulatory update, the duties and responsibilities of the Directors and the business of the Group in the following manner:

Name of Directors	Attended Seminars or Briefing/Read Materials
<i>Executive Directors</i>	
Mr. Li Feng	✓
Mr. Xie Fang	✓
<i>Non-executive Directors</i>	
Mr. Ng Kian Guan	✓
Ms. Sun Haoshu	✓
<i>Independent Non-executive Directors</i>	
Mr. Cheng Tai Sheung	✓
Mr. Ko Ming Tung, Edward	✓
Mr. Sun Junchen	✓
Mr. Wong Ka Wai	✓

Ms. Sun Haoshu was appointed as non-executive director of the Company on 9 May 2025. She obtained legal advice referred to in Rule 3.09D of the Listing Rules from a firm of solicitors qualified to advice on Hong Kong law on 29 April 2025. She confirmed her understanding of her obligations as director of the Company.

BOARD INDEPENDENCE EVALUATION

The Company has established a board independence evaluation mechanism (“Board Independence Evaluation Mechanism”) during the year ended 31 December 2025 which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard shareholders’ interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct an annual review of its independence. A board independence evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

CORPORATE GOVERNANCE REPORT

All Directors have completed the independence evaluation in the form of a questionnaire individually for the year ended 31 December 2025. The board independence evaluation report was presented to the Board and the evaluation results were satisfactory.

The Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism for the year ended 31 December 2025 and the results were satisfactory.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company for each financial period which gives a true and fair view of the financial position of the Group and financial performance and cash flows for that period and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. With the assistance of the Company Secretary, the Directors also ensure the publication of the consolidated financial statements of the Group in a timely manner.

The report of the external auditor of the Company, Forvis Mazars CPA Limited, with regard to their reporting responsibilities on the Company's consolidated financial statements is set out in the Independent Auditor's Report on pages 85 to 91 of this annual report.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. All the Directors have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2025.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code during the year ended 31 December 2025.

AUDIT COMMITTEE

Composition

The Company established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, risk management and internal controls of the Group. As at 31 December 2025, the Audit Committee consisted of four independent non-executive Directors, namely Mr. Wong Ka Wai (Chairman of Audit Committee), Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward and Mr. Sun Junchen respectively. The Audit Committee meets with the external auditor twice a year on a half year basis, or more frequently if required.

CORPORATE GOVERNANCE REPORT

Functions and Role

The primary functions of the Audit Committee are, inter alia, to assist the Board in fulfilling its overseeing responsibilities with respect to maintaining appropriate relationship with external auditor, to review the annual and interim report and other financial information provided by the Company to its shareholders, the public and other matters within the scope of the terms of reference. The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

In discharging its responsibilities, the Audit Committee performed duties summarised below during the year of 2025:

- (i) reviewed and monitored the scope, extent and effectiveness of audit process in accordance with applicable standards;
- (ii) reviewed and made recommendations to the Board for the approval of the consolidated financial statements and reports and monitored and reviewed the change in accounting principles and policies and assessment of potential impacts on the Group's consolidated financial statements;
- (iii) reviewed the Group's risk management and internal control systems and discussed the relevant issues including financial, operational and compliance controls;
- (iv) reviewed the internal control matters reported by Internal Audit Department and external auditor and ensure the Board will provide a timely response to the issues raised therein;
- (v) oversaw the relationship between the Company and the external auditor, assessed the independence and performance of the external auditor and recommended the re-appointment of the external auditor;
- (vi) reviewed the audit and non-audit services provided by the external auditor;
- (vii) took up responsibilities delegated by the Board to handle ad hoc matters and to consider various matters to improve the Board's communication; and
- (viii) reviewed and assessed the effectiveness of the governance structure and policies, monitored and evaluated the enterprise risk management process related to the environmental, social and governance for the compliance with of the applicable legal and regulatory requirements.

During the year ended 31 December 2025, five Audit Committee meetings were held and two of which related to the review of the interim and annual financial results and reports of the Group with the external auditor. In addition, one of the five Audit Committee meetings was held with the external auditor in the absence of management. The record of attendance of individual member is listed out on page 41 of this annual report.

NOMINATION COMMITTEE

Composition

The Nomination Committee has been established with defined terms of reference consistent with the CG Code. As at 31 December 2025, the Nomination Committee consisted of two non-executive Directors, namely Mr. Ng Kian Guan (Chairman of Nomination Committee) and Ms. Sun Haoshu and four independent non-executive Directors, namely Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai. The Nomination Committee meets at least once a year.

Functions and Role

The primary duties of the Nomination Committee are, inter alia, reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, making recommendations to the Board-on-Board succession, identifying individuals suitably qualified to become Board members and assessing the independence of independent non-executive Directors. The terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

The Nomination Committee is responsible for making recommendations to the Board on the nomination and appointment of Directors and Board succession, with a view to appointing to the Board individuals with suitable experience and capabilities to maintain and improve the competitiveness of the Company.

Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the skills, past experience, qualifications, professional knowledge, personal integrity and time commitments of proposed candidates, including the independence status in the case of an independent non-executive Director, the board diversity policy, the Company's needs and other relevant statutory requirements and regulations.

During the year ended 31 December 2025, three Nomination Committee meetings were held for, inter alia, considering the retirement and re-election of the Directors at the annual general meeting, the appointment of Ms. Sun Haoshu as non-executive Director and a member of the Nomination Committee, and reviewing the nomination policy, board diversity policy, making recommendations to the Board on the structure, size and composition of the Board, the succession planning of Directors, and assessing the independence of independent non-executive Directors. The record of attendance of individual members is listed out on page 41 of this annual report.

Nomination Policy

The Company has adopted, and will amend as appropriate, a nomination policy setting out the procedure for selection, appointment and re-appointment of directors containing the selection criteria to ensure that the Board maintains an appropriate balance of skills, experience and diversity of perspectives aligned with the Company's business needs.

CORPORATE GOVERNANCE REPORT

Pursuant to the nomination policy, the Nomination Committee will nominate suitable candidates to the Board, inter alia, with the following selection criteria:

- Reputation for integrity
- Potential contribution to the Board in terms of qualification, skills, independence and experience in the business of the Company
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service
- Experience and capability in environmental, social and governance matters
- Independence, particularly in the case of independent non-executive directors who have served for more than nine years, requires that their independence be especially considered if they are proposed for re-election.

The nomination procedures and the process for nomination of the candidates and selection, appointment and re-appointment of directors at the Company's general meetings set out in the Nomination Policy are as follows:

The Nomination Committee may nominate candidates, and/or invite nominations of candidates from Board members, for consideration by the Nomination Committee prior to its meetings from time to time for casual vacancies and/or candidates to stand for election at a general meeting.

In order to provide information about the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular will be sent to shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.

A shareholder can serve a notice to the Company Secretary of the Company within the lodgment period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

The Nomination Committee may request the candidates to provide additional information and documents if they consider necessary.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting, and the ultimate responsibility for selection and appointment of Directors rests with the entire Board.

REMUNERATION COMMITTEE

Composition

The Remuneration Committee has been established with written terms of reference in compliance with the CG Code. As at 31 December 2025, the Remuneration Committee members consisted of four independent non-executive Directors, namely Mr. Cheng Tai Sheung (Chairman of Remuneration Committee), Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai. The Remuneration Committee meets at least once a year.

Functions and Role

The primary objectives of the Remuneration Committee include determining the emolument policy, structure and remuneration packages of the Directors and senior management and making recommendations to the Board, and other related matters. The Remuneration Committee is responsible for establishing transparent procedures to develop such emolument policy and structure which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

The Remuneration Committee are responsible for reviewing the market conditions, time commitment, responsibilities, performance of individuals and any other relevant information and propose to the Board for consideration and approval. None of the executive Directors can determine his or her own remuneration.

During the year ended 31 December 2025, three Remuneration Committee meetings were held to review and recommend, inter alia, the existing emolument policy and structure of Company, the remuneration of the Directors and senior management for Board approval and to recommend the remuneration of Ms. Sun Haoshu, the newly appointed non-executive Director. The record of attendance of individual members is listed out on page 41 of this annual report.

Emolument Policy

The emolument policy of the Directors and senior management of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are reviewed and recommended by the Remuneration Committee, having regard to market competitiveness, individual performance and achievement, for the Board approval.

The Company has adopted a share award plan as an incentive to Directors and eligible employees.

CORPORATE GOVERNANCE REPORT

BOARD AND WORKFORCE DIVERSITY POLICY

The Company has adopted, and will amend as appropriate, a board and workforce (including senior management) diversity policy setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the board and workforce diversity policy, the Company seeks to achieve Board and workforce diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education 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 and workforce.

As at the date of this report, the Board has one female Director and has achieved gender diversity in respect of the Board. As such, the Board is of the view that it is not necessary to set numerical targets and timeline with respect to the board gender diversity for the time being but will be mindful to increase the proportion of female member over time when considering and making recommendation on suitable candidates for Board appointment. As at 31 December 2025, there were 15 female employees (including one female senior management) within the Group, representing approximately 38% of the Group's workforce. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the shareholders' expectation and recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to our Board in the near future.

The Company plans to offer all-rounded trainings to female employees whom we consider having the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

During the year ended 31 December 2025, the Nomination Committee has reviewed and amended the board and workforce diversity policy to ensure its continued effectiveness.

DIVIDEND POLICY

The Company has a dividend policy which aims to set out the principles and guidelines to be applied in relation to the declaration and/or payment of dividends to its shareholders. The Board has the sole and absolute discretion to declare and distribute dividends to the shareholders of the Company and their decision will depend on the actual and expected financial performance of the Group, retained earnings and distributable reserves of the Group, the level of the Group's debt to equity ratio, return on equity and relevant financial covenants, the current and future operations, expected working capital requirements and future expansion plans, current market condition, future development plan, and any other factors that the Board deem appropriate. The declaration and the amount of dividends will also be subject to any restrictions under the applicable laws and regulations and the Company's constitutional documents. The dividend policy will be reviewed by the Board from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTION

All members of the Board are responsible for performing the corporate governance functions. The terms of reference of corporate governance functions were adopted by the Board and is in compliance with the Code Provision A.2.1. During the year ended 31 December 2025, the Board has reviewed the policy of the corporate governance of the Company and the corporate governance report.

ATTENDANCE OF BOARD MEETINGS, AUDIT COMMITTEE MEETINGS, NOMINATION COMMITTEE MEETINGS, REMUNERATION COMMITTEE MEETINGS AND ANNUAL GENERAL MEETING IN 2025

	Attendance/Number of Meetings Held					
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Meeting between Chairman and Independent Non-executive Directors	Annual General Meeting held on 27 June 2025

Directors

Executive Directors

Mr. Li Feng	11/11	N/A	N/A	N/A	N/A	1/1
Mr. Xie Fang	11/11	N/A	N/A	N/A	N/A	1/1
Ms. Cao Jianmei (Note 1)	5/5	N/A	1/1	N/A	N/A	N/A

Non-executive Directors

Mr. Ng Kian Guan	11/11	N/A	3/3	N/A	1/1	1/1
Ms. Sun Haoshu (Note 2)	6/6	N/A	2/2	N/A	N/A	1/1

Independent Non-executive Directors

Mr. Cheng Tai Sheung	11/11	5/5	3/3	3/3	1/1	1/1
Mr. Ko Ming Tung, Edward	11/11	5/5	3/3	3/3	1/1	1/1
Mr. Sun Junchen	11/11	5/5	3/3	3/3	1/1	1/1
Mr. Wong Ka Wai	11/11	5/5	2/3	2/3	1/1	1/1

Notes:

- Ms. Cao Jianmei resigned as executive Director and member of the Nomination Committee on 9 May 2025.
- Ms. Sun Haoshu was appointed as non-executive Director and member of the Nomination Committee on 9 May 2025.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

During the year ended 31 December 2025, the fees paid or payable to the external auditor of the Company, Forvis Mazars CPA Limited and its network firms in Hong Kong were HK\$2,685,000 for statutory audit services rendered and HK\$870,000 for non-statutory audit services and others rendered to the Group respectively. The non-statutory audit services and others mainly represent review of interim financial statements and taxation service fees.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavors to maintain good investor relationship with the shareholders and potential investors by way of annual general meeting, publication of interim and annual reports on the websites of the Company and the Stock Exchange, and timely press releases on the Company's website. The Company has adopted, and will amend as appropriate, a shareholder communication policy aimed at providing shareholders and potential investors with timely and convenient access to balanced and understandable information about the Company.

Shareholders are encouraged to attend the annual general meetings for which a notice would be served properly. The Chairman and/or Directors are available to answer questions on the Group's business at the meetings. At general meetings, separate resolutions are proposed on each substantial and separate issue such as the election of individual Directors and re-appointment of auditor.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's registered office at Suites 2803-04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong or send email to ir@chinavered.com.

As part of its regular review, the Board has reviewed its policy in regard to the shareholders' communication for the year ended 31 December 2025 and is of the view that it is effective and adequately implemented.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Hong Kong Companies Ordinance and the Company's articles of association, an extraordinary general meeting can be convened by a written request signed by the shareholders holding not less than one-twentieth of the paid-up share capital of the Company, stating the objects of the meeting, and deposited at the Company's registered office at Suites 2803-04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong.

Procedures for putting forward Proposals at a General Meeting

A Shareholder shall make a written requisition to the Board or the Company Secretary at the Company's registered office at Suites 2803-04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong, specifying the shareholding information of the Shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary at the Company's registered office at Suites 2803-04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong or send email to ir@chinavered.com.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's constitutional documents.

RISK MANAGEMENT AND INTERNAL CONTROL

During the year, the Board complied with the Code Provisions on risk management and internal control as set out in the CG code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A year end review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

WHISTLE-BLOWING AND ANTI-CORRUPTION POLICIES

The Group has adopted the zero-tolerance policy against financial crimes such as corruption, bribery, extortion, fraud, money laundering, insider trading, monopoly and competitive behaviour within the Company.

The Group has also set up an independent reporting channel through which the employees of the Company can report the corruption and bribery of other employees of the Company directly to the internal audit and supervision department, so that the Company can be held harmless from fraud and other misconduct.

For details, please refer to the section headed "Environmental, Social and Governance Report" of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Li Feng ("Mr. Li"), aged 47, has been appointed as an executive Director and the deputy chief executive officer of the Company on 15 March 2022, and was appointed as the chief executive officer of the Company on 30 September 2022. Mr. Li currently has directorship in a number of subsidiaries of the Company. Prior to joining the Group, Mr. Li was employed by Vered Holdings from 2017 to March 2024. Before joining Vered Holdings, Mr. Li was employed by China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司) and held various positions from January 2003 to February 2016, including the account manager of the corporate business department of the Dalian branch, the product manager assistance of the corporate banking management department of the Dalian branch, general manager assistant of the Dalian branch of the trade finance department and the general manager of the corporate finance department of the Hong Kong branch.

Mr. Li graduated from Dongbei University of Finance and Economics (東北財經大學) in June 2011 with a master degree in business administration.

Mr. Xie Fang ("Mr. Xie"), aged 39, has been appointed as an executive Director of the Company since 22 March 2024. Mr. Xie joined the Company as the head of risk management department in May 2021. He has been appointed as the Chief Risk Officer of the Company since 30 September 2022 and has directorship in a number of subsidiaries of the Company. Prior to this, Mr. Xie served as a senior manager, vice president and senior vice president of the risk management department of CITIC Securities Company Limited from July 2010 to February 2021.

Mr. Xie obtained his master's degree in computer science and technology from the Tsinghua University (清華大學) in 2010. Mr. Xie was certified as a qualified Financial Risk Manager by the Global Association of Risk Professionals in December 2017.

NON-EXECUTIVE DIRECTORS

Mr. Ng Kian Guan ("Mr. Ng"), aged 69, has been appointed as a non-executive Director, the Chairman of the Board, the chairman of the Nomination Committee and authorised representative of the Company for purpose of Rule 3.05 of the Listing Rules with effect from 8 April 2024. Mr. Ng has over 30 years of experience in banking and finance with strong expertise in credit and marketing. Mr. Ng has been appointed as the lead independent non-executive director of AUTAGCO LTD. (Stock Code: 1D3.SI) since April 2026, and as an independent director and the lead independent director of International Cement Group Limited (symbol: KUO.SI) since June 2021 and September 2024, and as an independent non-executive director and as an independent non-executive chairman of Hong Lai Huat Group Limited (symbol: CTO.SI) since May 2024 and May 2025, which all companies are listed on the Main Board of the Singapore Exchange. He was Senior Banker of Shanghai Pudong Development Bank from October 2021 to September 2022. He was the Deputy Chief Executive Officer of Maybank Singapore from August 2014 to June 2021, while serving simultaneously as the Head of Corporate Office from September 2011 to December 2018. Prior to this, he led and oversaw various portfolios at the bank including Corporate Banking, Risk Management, Remedial Management, and Group Credit Management.

Mr. Ng holds a Bachelor of Business Administration from the National University of Singapore. He also holds an Executive Diploma in Directorship from the Singapore Management University and Singapore Institute of Directors ("SID") and is an accredited director under the SID Accreditation Framework.

Ms. Sun Haoshu ("Ms. Sun"), aged 38, has been appointed as a non-executive Director and a member of the Nomination Committee since 9 May 2025. Ms. Sun holds a bachelor's degree in Arts and a minor bachelor's degree in Management from Jilin University. Ms. Sun has extensive experience in financial related industry, particularly in financial editing and marketing. Ms. Sun is a director of CVAM Investment Fund SPC, an investment fund company that is an indirect 67%-owned subsidiary of the Company, and the marketing director of Global Excellence Investment Management (Beijing) Co., Ltd* (環球致優投資管理(北京)有限公司). From August 2013 to October 2022, she worked at China Xinhua News Network Corporation (中國新華新聞電視網有限公司) as editor.

* For identification purposes only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Tai Sheung (“Mr. Cheng”), aged 50, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee since 8 March 2024. He was then appointed as the chairman of the Remuneration Committee on 22 March 2024, and has been designated as lead independent non-executive Director on 21 January 2025.

Mr. Cheng has been serving as managing director of the corporate finance department of Opus Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO since February 2023. Mr. Cheng worked as managing director at UZen Securities Limited (Previous Name: Opus Securities Limited) from February 2023 to September 2024. From 2019 to 2021, he worked as managing director and head of investment banking at Ever-Long Securities Company Limited. From 2014 to 2019, Mr. Cheng worked at RHB Capital Hong Kong Limited, with his last position held as managing director and head of investment banking. Mr. Cheng possesses over 20 years of experience in the fields of auditing, finance, investment banking and capital markets. He has been a licensed person for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO since 2005.

Mr. Cheng obtained his Bachelor of Business Administration degree from the Chinese University of Hong Kong. He is also a Chartered Financial Analyst, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Accountants.

Mr. Sun Junchen (“Mr. Sun”), aged 38, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee since 22 March 2024. Mr. Sun has also been serving as independent non-executive director a chairman of nomination committee and the members of each of the audit committee and remuneration committee of China Sunshine Paper Holdings Company Limited (stock code: 2002) since August 2025, and an independent non-executive director, a chairman of audit committee and the members of each of the remuneration committee and nomination committee Quantgroup Holding Limited (stock code: 2685) since November 2025, both of which are listed on the Stock Exchange. From August 2025 to March 2026, Mr. Sun served as the independent director and the chairman of the audit committee of Yimutian Inc., a company listed on Nasdaq Stock Market (Stock Symbol: YMT). Mr. Sun served as the vice president of investment development of Newborn Town Inc., a company listed on the Stock Exchange (stock code: 9911) from April 2023 to April 2024, and was primarily responsible for its innovative business. Prior to this, Mr. Sun worked at PricewaterhouseCoopers Zhong Tian LLP Tianjin Branch (普華永道中天會計師事務所(特殊普通合夥)天津分所) from October 2011 to May 2015, with his last position held as a senior associate. From May 2015 to October 2015, he worked at Shenwan Hongyuan Securities Co., Ltd. Beijing Branch (申萬宏源證券有限公司北京分公司), with his last position held as a senior manager. From October 2015 to February 2017, he worked at MicroMedia Holdings Limited* (北京簡網世紀科技有限公司), with his last position held as the finance director. From February 2017 to April 2023, he worked at Beijing BlueCity Information & Technology Co., Ltd.* (北京藍城兄弟信息技術有限公司), with his last position held as the chief financial officer.

* For identification purposes only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Sun obtained his bachelor's degree in accountancy in June 2011 from the Tianjin University of Finance and Economics (天津財經大學). He obtained his master's degree in business administration from the Peking University (北京大學) in July 2018 and master's degree in business administration from Tsinghua University (清華大學) in June 2024 respectively. He was also accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in April 2015.

Mr. Ko Ming Tung, Edward ("Mr. Ko"), aged 65, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee since 22 March 2024. Mr. Ko has more than 34 years of experience in the legal profession. Mr. Ko is the principal of Messrs. Edward Ko & Company. Mr. Ko has also been serving as an independent non-executive director, a chairman of nomination committee and the members of each of audit committee and remuneration committee of Sinofert Holdings Limited (stock code: 297) since April 2000, an independent non-executive director, a chairman of nomination committee and the members of each of audit committee and remuneration committee of EverChina Int'l Holdings Company Limited (stock code: 202) since April 2009 and an independent non-executive director, a chairman of corporate governance committee and a member of audit committee of Chia Tai Enterprises International Limited (stock code: 3839) since September 2014, which are listed on the Stock Exchange.

Mr. Ko obtained his external bachelor's degree in laws from the University of London in the United Kingdom in August 1986. He was admitted as a solicitor of Hong Kong in March 1991.

Mr. Wong Ka Wai ("Mr. Wong"), aged 46, has been appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee of the Company since 22 March 2024. Mr. Wong has been serving as a company secretary, the authorised representative and the process agent of Sing Lee Software (Group) Limited (stock code: 8076) since April 2024, which is listed on the Stock Exchange. Mr. Wong has been serving as an independent non-executive director and a chairman of audit committee of Wenling Zhejiang Measuring and Cutting Tools Trading Centre Co., Ltd. (stock code: 1379) since May 2022, which is listed on the Stock Exchange. Mr. Wong served as an independent non-executive director, a chairman of remuneration and appraisal committee and a member of audit committee of Jujiang Construction Group Co., Ltd. (stock code: 1459) from August 2015 to June 2024, and as the chief financial officer and company secretary of Ruifeng Power Group Company Limited (stock code: 2025) from May 2017 to June 2023, and from February 2017 to June 2017, he served as an independent non-executive director of Green International Holdings Limited (stock code: 2700) which both are listed on the Stock Exchange. From January 2013 to March 2017, he served as the Chairman of Jai Dam Distribution (Hong Kong) Co. Ltd., and was responsible for the business development and management of the French Brand "Jai Dam" in the region of Greater China and managing the sub-distributors of Jai Dam Distribution (Hong Kong) Co. Ltd. in Beijing and Shanghai. From November 2011 to December 2012, he worked at PricewaterhouseCoopers Singapore branch, with his last position held as a manager of the individual tax business unit. From November 2010 to September 2011, he worked at BASF East Asia Regional Headquarters Limited, with his last position held as a manager. From January 2008 to May 2010, he worked at the Shanghai office of Ernst & Young, with his last position held as manager in the tax human capital-PRC department. From July 2006 to January 2008, he worked at Ernst and Young, with his last position held as a senior accountant in the tax department. From September 2001 to May 2004, he worked at KPMG, with his last position held as a tax consultant.

Mr. Wong obtained his bachelor's degree in accountancy in November 2001 from the City University of Hong Kong. He obtained his bachelor's degree in laws from the University of London in the United Kingdom in August 2007. He was also admitted as a member of the Association of Chartered Certified Accountants in October 2009.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The objective of this Environmental, Social and Governance (“ESG”) Report (the “ESG Report”) is to demonstrate the ESG performance of China Vered Financial Holding Corporation Limited (the “Company”) and its subsidiaries (collectively the “Group” or “we”), assisting stakeholders to understand our ESG principles, development and practices in pursuit of sustainable development for the future.

Reporting Scope and Period

Unless otherwise stated, the ESG Report covers an overview of the Group’s overall performance in two subject areas, namely, Environmental and Social aspects of the Group’s business operations, in its Hong Kong office, including asset management services, securities services and investment holding from 1 January 2025 to 31 December 2025 (the “Reporting Period”), which account for approximately 87% of the Group’s total revenue for the Reporting Period. As the Group’s business operations in Tokyo and Shenzhen are relatively small in scale, accounting for no more than 13% of the entire Group’s revenue, they are excluded from the reporting scope. There was no change in the reporting scope.

Feedback

Your comments on this ESG Report will help the Group to continue its sustainability efforts. If you have any comments or suggestions, please contact us through email at ir@chinavered.com.

Reporting Principles

This ESG Report has been prepared in accordance with Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) — “Environmental, Social and Governance Reporting Code” (the “ESG Code”). For details of the Group’s corporate governance, please refer to the Corporate Governance Report included in its 2025 Annual Report.

The preparation of the report adheres to the following reporting principles outlined in the ESG Code:

Materiality	Based on the issues in the ESG Code, ESG issues that have a significant impact on the Group have been identified through stakeholder engagement and materiality assessment, and relevant disclosures have been made in the ESG Report according to the priority. For details of the stakeholder engagement, please refer to the section headed “Stakeholder Engagement” and “Materiality Assessment”.
Quantitative	The key performance indicators (“KPIs”) have been recorded and disclosed in quantitative terms where practicable. Where necessary, the ESG Report will detail the standards, methods, assumptions, calculation references and sources of key conversion factors used for KPIs.
Balance	The ESG Report presents our overall ESG performance during the year to all stakeholders in an objective and impartial manner.
Consistency	The approach for preparing this ESG Report remains substantially consistent with the previous year to ensure meaningful comparisons. Any changes in the reporting scope and calculation methodologies are disclosed where applicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement

The Group recognizes the significant influence of stakeholders on sustainable development and places a high value on stakeholder engagement and communication. We actively engage with key stakeholders through multiple channels, gather their feedback and expectations, assist in formulating operational and environmental, social, and governance strategies, enhance governance standards and performance, and persist in generating value for stakeholders.

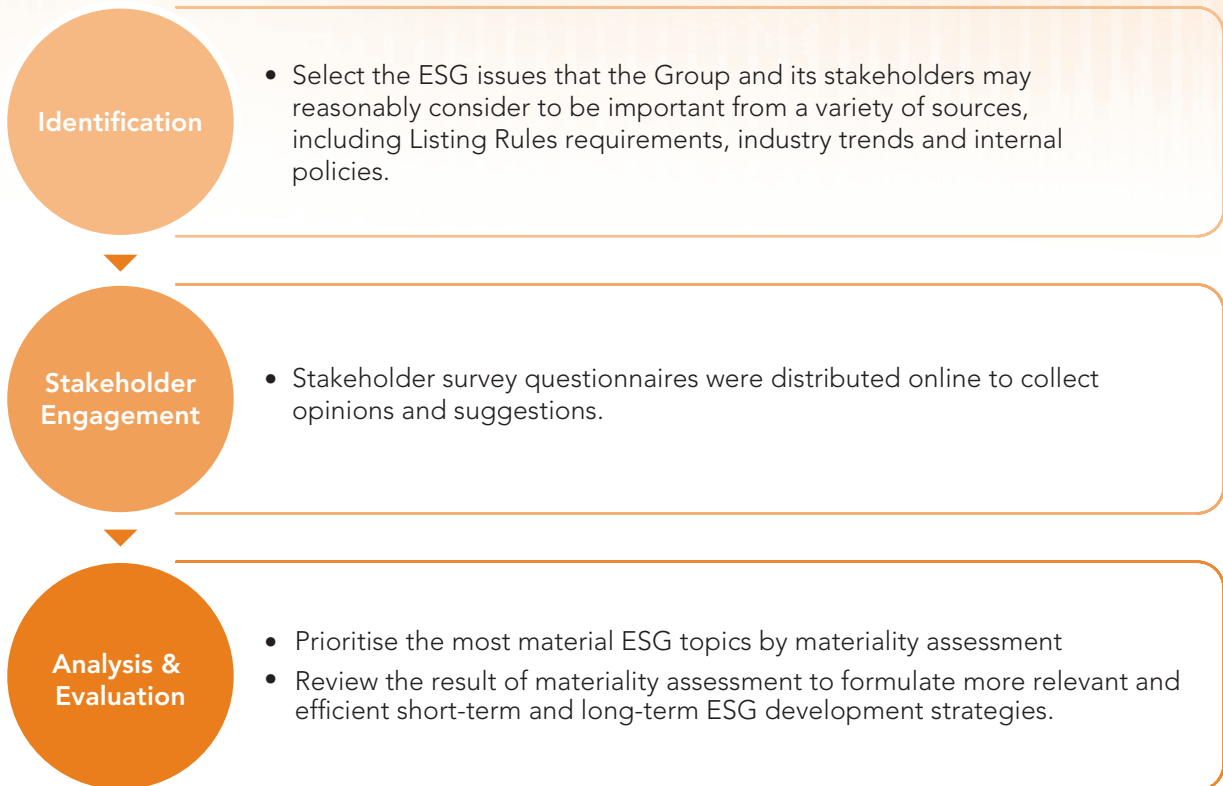
The following table summarises various stakeholder engagement activities, the key concerns of stakeholders which the Group has gathered, and our commitments to sustainability to address those key stakeholders' concerns.

Stakeholders	Expectations and concerns	Means of communications
Shareholders	<ul style="list-style-type: none"> Investment returns Corporate governance Business compliance Protection of the voting rights of shareholders and investors 	<ul style="list-style-type: none"> Annual general meetings and other general meetings of the Company Information disclosed on the websites of the Stock Exchange and the Company
Clients	<ul style="list-style-type: none"> Quality products and services Data protection 	<ul style="list-style-type: none"> Company's website E-mails, direct conversations, phone calls or meetings Customer service hotline
Business partners	<ul style="list-style-type: none"> Long-term co-operation Creditworthiness 	<ul style="list-style-type: none"> Company's website E-mails, direct conversations, phone calls or meetings
Employees	<ul style="list-style-type: none"> Employee compensation and benefits Training and development 	<ul style="list-style-type: none"> Meetings Internal announcements and notices Performance review Staff training
Regulatory authorities	<ul style="list-style-type: none"> Compliance with laws and regulations 	<ul style="list-style-type: none"> Ad-hoc enquiries Regulator's inspection Regular publications and information disclosure
Community	<ul style="list-style-type: none"> Community participation 	<ul style="list-style-type: none"> Company's website Company's announcement Community engagement

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

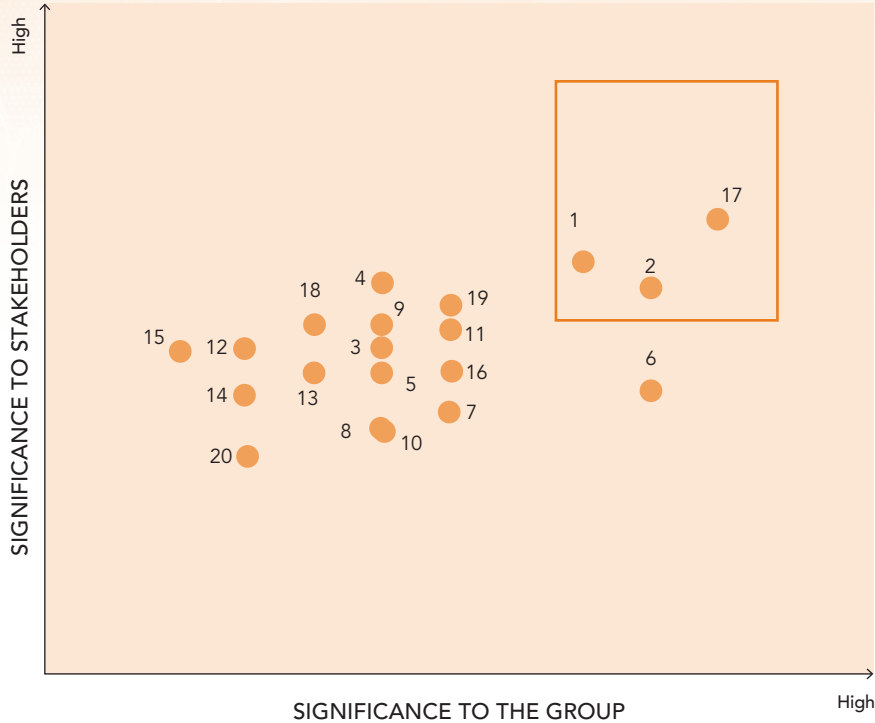
During the Reporting Period, we conducted a materiality assessment to identify and prioritize ESG issues. A stakeholder survey was conducted to gather opinions and inform the analysis. The process involved three key phases: identification, stakeholder engagement, analysis and evaluation.



Based on the materiality of each of the ESG topics expressed by the stakeholders, the ESG topics are prioritised and shown in the materiality assessment matrix below. The ESG issues that fall within the top right-hand area are the greatest importance to our stakeholders and our operation. They are product and service quality, customer service and level of satisfaction, and anti-corruption. The materiality assessment allows the Group to focus on and have overall better management on its material ESG issues, thereby formulating strategic action plans to solve emerging risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Matrix



Product and Service Responsibility				
Product and Service Responsibility	Workforce	Environmental	Operating Practices	Community
1. Product and service quality	4. Diversity and equal opportunities	10. Emission of exhaust gases	16. Supply chain management	20. Community investment
2. Customer service and level of satisfaction	5. Employment relationship and communication	11. Waste management	17. Anti-corruption	
3. Intellectual property protection	6. Occupational safety and health	12. Carbon emissions and energy consumption management	18. Business continuity	
	7. Training and development	13. Use of water resources	19. Corporate governance	
	8. Prevention of child labour and forced labour	14. Climate change		
	9. Employee welfare	15. Green procurement		

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Governance

The Board is responsible for ensuring the effectiveness of the Group's risk management and internal control systems, as well as overseeing the Group's climate-related strategy, monitoring and evaluating progress on climate-related risks and opportunities, and ensuring alignment between corporate strategies and sustainability goals. The Board is supported by Audit Committee, Remuneration Committee, Nomination Committee and ESG working group to address climate change. To ensure appropriate skills and competencies for overseeing climate-related risks and opportunities, the Board and ESG working group continuously develop relevant capabilities by accessing and studying those online resources and educational materials provided by the HKEX ESG Academy.

Audit Committee

Audit Committee is responsible for i) reviewing and assessing the adequacy and effectiveness of the Company's ESG governance structures and ESG-related policies; ii) reviewing the ESG-related disclosures for the compliance of the applicable legal and regulatory requirements; iii) evaluating the Company's ESG risk management framework and monitor its integration with the enterprise risk management process; iv) discussing with the management about the ESG-related controls and procedures, climate-related risks, and social impact considerations; and v) performing other duties and powers as assigned by the Board to the Audit Committee.

Remuneration Committee

Remuneration Committee is responsible for integrating ESG factors, climate objectives, and related performance targets into the evaluation and determination of remuneration policy for the Company's directors and senior management.

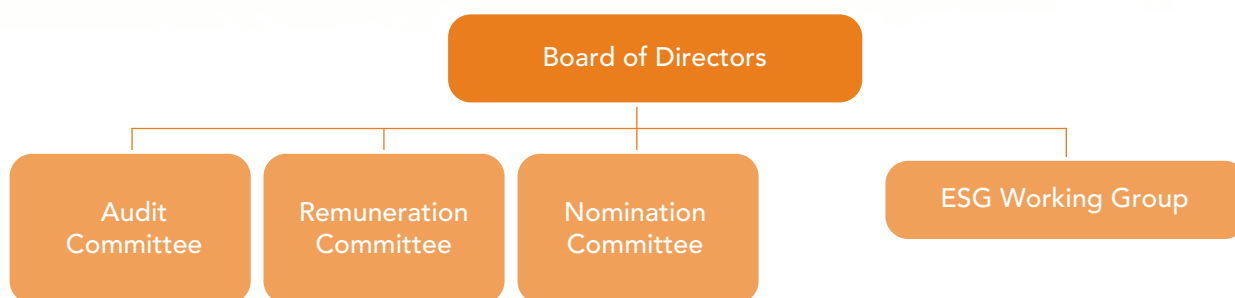
Nomination Committee

Nomination Committee is responsible for overseeing directors' ESG and climate-related training, development and skills, and recommending ESG and climate-related governance structures. ESG latest updates are provided to the Board regularly to enhance their capabilities in overseeing our sustainability performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG working group

ESG working group has been established to assist the Board of Directors in coordinating the Group's ESG management, formulating and reviewing climate-related strategy and relevant ESG goals, overseeing the progress of these metrics and targets, identifying and evaluating ESG-related risk and opportunities, coordinating climate-related tasks, collecting relevant ESG data and information and reporting to the Board of Directors on annual basis. The ESG working group is chaired by the Chief Executive Officer of the Company, with the Chief Compliance Officer and Chief Risk Officer serving as deputy chairs, and heads of multiple departments as members, including but not limited to the Human Resources Department, Internal Audit Department, Risk Management Department, Board of Directors' Office, and Finance Department, etc.



Supporting the United Nations Sustainable Development Goals

The Group supports the United Nations Sustainable Development Goals (“SDGs”), which aim to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

We believe that eight of the SDGs connect closely with our business and sustainable development strategy. Over the long term, the Group is working to explore ways to strengthen sustainable development and contribute to the goals of the United Nations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Goals	Description	Corresponding Issues
 SDG 3 Good Health and Well-being	Ensure healthy lives and promote well-being	Employment and Labour Practices; Community Investment
 SDG 4 Quality Education	Ensure inclusive and quality education and promote lifelong learning	Development and Training
 SDG 7 Affordable and Clean Energy	Ensure access to affordable, reliable and sustainable modern energy for all	Environmental
 SDG 8 Decent Work and Economic Growth	Promote inclusive and sustainable economic growth, employment and decent work	Employment and Labour Practices; Community Investment
 SDG 10 Reduced Inequalities	Reduce inequality within and among countries	Employment and Labour Practices
 SDG 12 Responsible Consumption and Production	Ensure sustainable consumption and production patterns	Supply Chain Management; Environment
 SDG 13 Climate Action	Take urgent action to combat climate change and its impacts	Climate Change
 SDG 16 Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Anti-corruption and Combating Money Laundering

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL

The core business of the Group is asset management services, securities services and investment holding. The daily operation site of the businesses is in the office. The direct environmental impact mainly involves the operation of computer systems, resources consumed by business activities, and paper waste disposal. Although the Group does not have a significant impact on the environment or natural resources, the Group is committed to operating its business in an efficient and sustainable manner by reducing the use of energy and other resources to improve our environmental performance.

We strictly comply with environmental laws and regulations, including but not limited to the Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) and the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong).

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

Certain required climate-related disclosures, including but not limited to quantitative financial-effects analysis, scenario-analysis outputs and specific transition and physical-risk metrics, could not be fully provided during the Reporting Period. This is due to (i) the Group's current limitations in internal capability, data coverage and modelling tools ("**Capability(ies) Relief**"); (ii) the unavailability of reasonable and supportable information without incurring undue cost or effort, particularly in relation to emissions and climate-risk data from investee companies ("**Reasonable Information Relief**"); and (iii) the absence of sufficiently reliable methodologies to quantify the financial effects of climate-related risks and opportunities ("**Financial Effects Relief**"). The Group will continue to enhance its data availability and climate-risk assessment processes over time and expand the scope and depth of disclosures as these capabilities mature.

Climate Change

The impact of climate change is becoming significantly obvious across the globe. It causes a continuous rise in temperature and poses threats to resource scarcity.

Climate change governance structure

The Group attaches great importance to the issue of climate change and has established an ESG working group to monitor the impact of climate change on the Group's business and operations. For details, please refer to the section "ESG Governance" in this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Strategy and Risk Management

The Board maintains ultimate responsibility for overseeing the Group's assessment and mitigation of ESG-related risks. Climate considerations are gradually being integrated into operational planning. The Group incorporates the identification, assessment, and management of climate-related risks and opportunities into its risk management and internal control systems, thereby conducting systematic oversight of climate risks. The processes for identifying, evaluating, and managing significant risks within the Group are summarised as follows:

Climate Risk Identification

- Each department and the ESG working group identify ESG and climate related risks and opportunities through different channels, historical data, future forecasts, cases, and information from other domestic and foreign companies in the same industry

Climate Risk Assessment

- The Board, supported by the ESG working group, assesses the climate risks; and
- Considers the impact of the climate risks on the business and the likelihood of their occurrence

Climate Risk Response

- Prioritises climate risks by comparing the results of the risk assessment; and
- Formulates the risk management strategies and internal control procedures to prevent, avoid, or mitigate the climate risks

Risk Monitoring and Reporting

- Each department and the ESG working group would jointly performs ongoing and periodic monitoring of the climate risk and ensures that appropriate internal control procedures are in place and report ESG risks that are significant to the Group through department meetings;
- Revises the climate risk management strategies and internal control procedures in response to any significant changes; and
- Reports the results of climate risk monitoring and materiality assessments to management and the Board annually

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Risks

Climate risks are divided into physical risks and transition risks:

- Physical risks represent risks of extreme or abnormal weather events directly causing damage to economic activities, including event-driven impacts and long-term change in climate patterns.
- Transition risks represent economic or financial risks occurring when factors such as climate change policy, technology innovation, market sentiment and consumer preference affect the valuation of enterprise assets, mainly stemming from strengthened decarbonisation requirements.

The Group has identified the following short term (1 year), medium term (1–5 years), and long term (beyond 5 years) climate-related risks in both transition and physical dimensions:

Category	Climate-related risks	Potential impact on business model and value chain	Potential impact on financials	Time horizon	Mitigation and resilience measures
Chronic physical risk	Intensifying greenhouse effect, decreasing precipitation, rising sea level and other chronic changes	Persistent heat waves may reduce workforce productivity and increase the potential exposure to and incidence of infectious diseases	An elevation of electricity consumption and increase in operating cost	Long term	Regular review of air conditioning equipment to ensure sufficient cooling capacity to maintain indoor comfort level
Acute physical risk	Increasingly frequent extreme weather events, such as typhoons, floods	Extreme weather events can result in asset losses and may endanger employee's safety	Increase in the costs to repair damaged offices Reduced revenue due to business disruptions Increased insurance premiums	Short to medium term	During extreme weather events, employees are advised to remain in a safe place until it is safe to resume normal activities

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Climate-related risks	Potential impact on business model and value chain	Potential impact on financials	Time horizon	Mitigation and resilience measures
Transition risk — policy and legal risk	Tightening climate-related disclosure requirements imposed by regulatory authorities	<p>The tightening of climate related policies has led to increasingly stringent compliance requirements for data management and information disclosure necessitate that enterprises allocate more resources to developing in-house analysis to meet the demand for high-quality disclosure</p> <p>Failure to comply can lead to compliance and disclosure risks</p>	Increase in compliance costs for preparing additional disclosure information	Short to medium term	Closely monitor the latest rules and regulations to ensure compliance and keep the Board and staff members updated for swift actions

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Category	Climate-related risks	Potential impact on business model and value chain	Potential impact on financials	Time horizon	Mitigation and resilience measures
Transition risk — market risk	Change in customers' behaviour	Customer behaviour and preference are changing. Failure to meet their expectations for climate risk management and targets can lead to a loss of customers and revenue	Decrease in revenue due to loss of customers	Medium to long term	Proactively conduct research on low-carbon technology trends in the financial industry and develop smart technologies to enhance financial service efficiency, improve service capabilities, and avoid excessive use of resources in financial operations. Meanwhile also actively plan to promote green financial services to meet future market demand for green services

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Opportunities

While proactively addressing climate-related risks, the Group also explores climate-related opportunities and endeavours to benefit from the opportunities brought about by the transition to a low-carbon and climate-adaptive economy.

Category	Climate-related opportunity	Potential impact on business model and value chain	Potential impact on financials	Time horizon	Opportunity response
Resource efficiency	Efficiency and cost savings	Enhanced management of energy, carbon emissions, waste recycling and utilisation levels can promote energy conservation and carbon reduction, while also achieving cost savings and efficiency improvements	Improvement in energy and water conservation levels, leading to cost reductions	Short term	Actively promote green office practices, strengthening energy-saving and emission reduction efforts across all aspects

During the Reporting Period, the Group's business model did not contain concentrations of material climate-related risks or opportunities. As such, the Group has yet to establish climate-related transition plan, and has not implemented, and does not anticipate implementing, material changes to its business model or resource allocation to address climate-related risks or opportunities, and has not allocated, nor plans to allocate, specific resources to such non-material activities. Additionally, the Group has not identified climate-related risks or opportunities that pose a significant risk of material adjustment to the carrying amounts of its assets or liabilities within the next annual reporting period.

Nevertheless, the Group continues to monitor the climate-related risks and has implemented relevant measures to minimise the potential physical and transition risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate Scenarios

Climate scenarios are projections of future climate conditions based on varying levels of greenhouse gas emissions. To evaluate the potential implications of climate-related risks, we have undertaken a scenario analysis exercise leveraging publicly available models as set out in the Implementation Guidance for Climate Disclosures under the HKEx ESG Reporting Framework. We have prioritised scenarios that focus on physical risks, as these have broader potential impacts, higher availability of external data, and more internal forecast data¹ to support the analysis. This process helps us understand the potential effects of climate-related physical risks on our business and operations under different future pathways, informing our strategies to continuously enhance our climate resilience.

We adopt the low-emission scenario SSP1-2.6² and high-emission SSP5-8.5³ scenarios from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (“IPCC”) Using mid-term (Year 2030) and long-term (Year 2050) time horizons, we conducted a qualitative assessment of the expected financial losses from physical risks changes relative to the baseline year (Year 2025) under each scenario.

The results indicate that the frequency and intensity of extreme weather events, together with average temperatures, will increase over time under both scenarios. These changes are more pronounced under the high-emission scenario, presenting potential impacts on our assets and business operations. In response to risks from typhoons, extreme rainstorms, and extreme high temperatures, we have established a risk management mechanism and formulate specific response measures, as detailed in the “Strategy and risk management” and “Climate-related risks” sections.

We acknowledge that the future frequency and severity of physical climate-related risks remain uncertain. In the long term, extreme weather events and rising global temperatures may disrupt our operational activities, undermine the security of our assets, and pose risks to the safety of our employees. Accordingly, we will continuously refine our climate scenario analysis and enhance our risk response and mitigation strategies.

¹ We consider the existing mitigation measures for climate-related physical risks and assume that these measures remain unchanged to assess the impacts of climate risks over different time horizons.

² IPCC SSP1-2.6 Low Greenhouse Gas Emission Scenario: the world takes proactive climate actions, achieves a low-carbon transition and limits global warming to within 2°C (above pre-industrial levels). The frequency and intensity of extreme weather events, and the rising average temperature increase but at a relatively moderate rate.

³ IPCC SSP5-8.5 Very High Greenhouse Gas Emission Scenario: global greenhouse gas emissions remain uncontrolled, with economic development relying heavily on fossil fuels, leading to high carbon emissions and severe climate change. The frequency and intensity of extreme weather events, and the rising average temperature increase significantly.

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Metrics and Targets

The Group has set clear targets⁴ for environmental protection as shown in the table below. The Board and the ESG working group track these metrics and targets through the annual ESG Report, as well as regular meetings.

Aspects	Targets	Unit	Baseline	Reporting	Actions	Target status ⁵
			Performance	Period performance		
Gross total GHG intensity	Reduce 10% in 2032 using 2022 as baseline.	tCO ₂ e/m ²	0.07	0.06	Refer to "Greenhouse Gas Emissions" paragraph	In progress
Energy consumption intensity	Reduce 20% in 2032 using 2022 as baseline.	MWh/m ²	0.12	0.08	Refer to "Greenhouse Gas Emissions" paragraph	In progress
Waste intensity	Reduce 20% in 2032 using 2022 as baseline.	kg/m ²	0.31	0.85	Refer to "Waste Management" paragraph	In progress

Emissions

Air Emissions

For the year ended 31 December 2024, the Group's air emissions were generated from vehicle exhaust, mainly comprising nitrogen oxides ("NO_x"), sulfur oxides ("SO_x") and responsible particulate matter ("PM").

Following the Group's transition to electric motor vehicles beginning in August 2024, the Group recorded no air pollutant emissions or Scope 1 emissions for the year 2025.

Greenhouse Gas Emissions

In the Group's business activities, fuel consumption of vehicle (Scope 1 direct emissions), electricity consumption in office(s) and vehicles (Scope 2 indirect emissions), business travel and paper consumption (Scope 3 indirect emissions) are the major sources of GHG emissions of the Group. We are committed to regularly monitoring the Group's energy consumption and identifying areas for energy conservation to encourage emission reductions. The Group's carbon footprint mainly comes from indirect greenhouse gas emissions generated from electricity consumption.

⁴ As the Group's business operations do not consume large amounts of water and the water consumption data are not directly controlled by the Group, no specific water efficiency targets have been established.

⁵ As it is the first year of establishing quantitative targets for the Group, the target progress result will be reported in the next reporting period. The target and the methodology for setting the target have yet been validated by external independent party.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has currently implemented the following energy-saving measures to reduce greenhouse gas emissions:

- Procuring energy efficient appliances when replacing old appliances;
- Encouraging employees to turn off idle equipment, computers, printers, air-conditioner and lights when not in use or after working hours;
- Use natural light whenever possible; and
- Avoid overcooling offices and set air conditioning to 25 degrees Celsius wherever possible.

Waste Management

Given the nature of the Group's business and its office-centered activities, it does not produce hazardous waste. Throughout the Reporting Period, the predominant type of waste generated was non-hazardous office paper waste. We encourage the implementation of the 4R environmental management model, which means waste reduction, waste utilization, recycling and replacement to cultivate a green culture. At the same time, we encourage our employees to recycle waste paper, to use double-sided printing when printing internal documents and to minimize the use of paper in their daily work. We promote electronic circulation of documents, such as via email and the use of electronic files, to reduce paper waste.

Use of Resources

Energy Consumption

The Group's main energy consumption comes from electricity consumption of office equipment and vehicle fuel consumption. Measures to reduce energy use are found in the "Greenhouse Gas Emissions" section.

Water Resources

The Group fully recognizes the importance of water resources. Our water use in daily operations is mainly for water use in offices. However, the water consumption of offices is managed by the property management office, and the relevant data is currently not available. Where possible, we will enhance data collection processes to collect relevant data in the future. Based on the business nature of the Group, we did not encounter any significant issues in sourcing water that was fit for purpose during the Reporting Period. In order to develop the habit of water saving, water conservation signs are displayed in the office.

Packaging Material

The Group's business activities do not involve the production of tangible products, resulting in no consumption of packaging materials.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental Performance Indicators

Hong Kong Stock Exchange ESG Code				
Reference	Indicator	Unit	2025 ⁶	2024
KPI A1.1 ⁷ and A1.2 ⁶	Nitrogen oxides (NOx)	kg	—	1.46
	Sulphur oxides (SOx)	kg	—	0.01
	Particulate matters (PM)	kg	—	0.11
	Direct emissions (Scope 1)	tCO ₂ e	—	1.51
	— Vehicle fuel			
	Indirect emissions (Scope 2-location-based)	tCO ₂ e	33.16	89.12
	— Purchased electricity			
	Other indirect emissions (Scope 3) ⁸			
	— Waste paper landfill disposal (Category 5)	tCO ₂ e	2.91	3.38
	— Business travel (Category 6)	tCO ₂ e	6.27	N/A
	Total greenhouse gas emissions (Scope 1, Scope 2 — location-based and Scope 3)	tCO ₂ e	42.34	94.01
	Total intensity of greenhouse gas emissions (Scope 1, Scope 2 — location-based and Scope 3)	tCO ₂ e/m ²	0.06	0.06
	Total amount of non-hazardous waste generated	tonnes	0.6070	0.9050
	— Paper			
	Total amount of non-hazardous waste disposal	tonnes	0.0300	0.7050

⁶ With the Group's transition to electric motor vehicles commencing in August 2024, it did not have air pollutant emissions and Scope 1 emissions for Year 2025.

⁷ Boundary has been set using GHG Protocol's financial control approach and air pollutant and greenhouse gas emission data are calculated with reference to the Hong Kong Stock Exchange's "How to Prepare Environmental, Social and Governance Reports — Appendix 2: Reporting Guidelines on Environmental Key Performance Indicators" or the emission coefficients from sources such as The Hong Kong Electric Company Limited.

⁸ Started from Year 2025, the Group commenced to disclose Scope 3 business travel (Category 6) emissions (indirect emissions that occur along the value chain).

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Hong Kong Stock Exchange ESG Code Reference				
Reference	Indicator	Unit	2025 ⁶	2024
KPI A1.4	Intensity of non-hazardous waste	tonnes/m ²	0.00085	0.00049
	Total amount of non-hazardous waste recycled	tonnes	0.0250	0.2000
	Indirect energy consumption — Purchased electricity	MWh	55.27	135.03
	Indirect energy consumption intensity	MWh/m ²	0.08	0.10
KPI A2.1	Direct energy consumption — Unleaded petrol	MWh	—	5.18
	Direct energy consumption intensity	MWh/m ²	—	0.004 ⁹
	Total energy consumption	MWh	55.27	140.21
	Total energy consumption intensity	MWh/m ²	0.08	0.10

SOCIAL

Employment and Labour Practices

The Group has always regarded human capital as a valuable asset, and outstanding talents are an important asset of the Group and an important strategic support for the Company to enhance its competitiveness. During the Reporting Period, the Group did not discover any major violations of employment and labour-related laws and regulations. We will continue to strictly abide by all applicable Hong Kong labour laws and regulations, such as:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong); and
- Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong).

To ensure staff clearly understand their rights and obligations, an employee handbook and other policies and guidelines are in place covering the areas of attendance policies, remuneration, benefits, leave provisions, company regulations and disciplines, etc. Human Resources Department is responsible for ensuring that employees fully understand the contents of the employee handbook. The Group reviews its related policies from time to time to ensure compliance with the latest statutory requirements.

⁹ The decline in direct energy consumption intensity figure is due to the change of using electric vehicles.

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Employee Distribution and Employee Turnover Rate

	2025	2024
Employee data		
By employment type		
Full-time	40	44
Part-time	–	–
By employment category		
Senior management	3	3
Middle management	1	1
Frontline and other staff	36	40
By gender		
Male	25	26
Female	15	18
By region		
Hong Kong	40	44
By age-group		
18-25	4	2
26-35	12	12
36-45	15	18
46-55	7	9
56 or above	2	3
Total number of employees	40	44
Employee turnover rate¹⁰		
By gender		
Male	36%	35%
Female	60%	67%
By region		
Hong Kong	45%	48%
By age-group		
18-25	75%	150%
26-35	33%	58%
36-45	40%	50%
46-55	57%	11%
56 or above	50%	33%
Overall employee turnover rate	45.00%	47.73%

¹⁰ The turnover rate is calculated based on (the number of employees under his category who resigned during the Reporting Period/the total number of employees under this category as of 31 December of the reporting year) x 100%.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Diversity, Equality and Inclusion

The Group is committed to creating a fair and harmonious working environment and adheres to the principles of fairness in the provision of employment opportunities, remuneration, training, performance evaluation and promotion without any forms of discrimination such as gender, age, ethnicity, religion and culture. We strictly abide by laws and regulations on equal opportunities, including but not limited to the Disability Discrimination Ordinance, Sex Discrimination Ordinance, Family Status Discrimination Ordinance and Racial Discrimination Ordinance. The Group adopts a zero-tolerance attitude towards harassment in the workplace. Anyone involved in any sexual harassment or any form of discrimination will be subject to disciplinary action or dismissal. During the Reporting Period, we found no potential human rights risks in our operations.

Recruitment, Promotion and Benefits

The Group selects the best and most suitably qualified candidates through open recruitment or internal promotion. The Group applies robust and transparent recruitment processes based on merit selection against the job criteria, and recruits individuals based on their suitability for the position and their potential to fulfil the Group's current and future needs. Based on the annual performance evaluation result as well as economic and market circumstances, the Group offers rewards and promotion opportunities to employees with outstanding performances.

We make defined contributions in accordance with the Mandatory Provident Fund Schemes ("**MPF Scheme**") Ordinance for employees employed in Hong Kong who are eligible to participate in the MPF Scheme. The Group adopted a share award plan with the objective of recognising the contributions of designated employees and directors, and of providing incentive mechanisms to retain talent essential to the Group's ongoing operations and development. In addition to basic statutory holidays, employees also enjoy a five-day work schedule, paid annual leave, sick leave, paternity leave, maternity leave, marriage and funeral leave, etc.

The Group has formulated employee dismissal or voluntary termination policy which is stipulated in Employee Handbook. The policy strictly complies with the termination/dismissal requirements of Employment Ordinance in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Health and Safety

The Group is committed to providing a healthy and appropriate workplace for employees. While the Group's operations are mainly office-centric, it complies with the Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong) and other pertinent regulations to ensure a secure workplace and safeguard its employees from occupational risks.

The Group's "Employee Handbook" covers regulations and guidelines related to health and safety, such as inclement weather arrangements and work health and safety guidelines. The Group is committed to achieving this goal by implementing the following key measures:

- Keep passages and stairs clear of obstructions;
- Participate fire drills organised by property management, if available;
- Equip offices with first-aid boxes and other medical supplies;
- Maintain adequate indoor air ventilation;
- Clean and sanitise office area to maintain a hygienic workplace;
- Provide medical and dental benefits;
- Offer annual body check-ups for all eligible staff; and
- Prohibit smoking in workplaces.

The Group has not suffered any loss in working days due to work-related injuries in the past three reporting years, and the number of work-related fatalities has been zero in each of the past three reporting years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development and Training

The Group understands that knowledge, skills and capabilities of employees are essential to bring future development and success to the Group. The Group provides employees with appropriate training based on their work nature and positions to enhance their skills and keep abreast of the latest changes in laws, regulations and business environment. The Group also encourages its employees to participate in external training programs and take professional qualification examinations, and it supports its employees by providing reimbursements to eligible staff.

	2025	2024	Unit
Percentage of trained employees			
Total percentage of trained employees ¹¹	72.50	75.00	%
By gender¹²			
Male	58.62	57.58	%
Female	41.38	42.42	%
By employee category¹³			
Senior management	10.34	9.09	%
Middle management	17.24	21.21	%
Frontline and other staff	72.42	69.70	%
Employee training hours			
Total training hours	113.5	78	hour
Average training hours per employee	2.84	1.77	hour
Average hours of training by gender¹⁴			
Male	2.52	2.23	hour/employee
Female	3.37	1.11	hour/employee
Average hours of training by employee category¹⁵			
Senior management	3.67	1.67	hour/employee
Middle management	21.00	19.00	hour/employee
Frontline and other staff	2.26	1.35	hour/employee

¹¹ The percentage of trained employees is calculated as (total number of employees trained during the Reporting Period/total number of employees as of 31 December of the reporting year) x 100%.

¹² The percentage of employees trained by gender is calculated by dividing the number of employees trained in the specified category by the total number of employees trained.

¹³ The percentage of employees trained by employee category is calculated by dividing the number of employees trained in the specified category by the total number of employees trained.

¹⁴ The average training hours by gender is calculated by dividing the total number of training hours for employees in the specified category by the total number of employees in the specified category.

¹⁵ The average training hours by employee category is calculated by dividing the total number of training hours for employees in the specified category by the total number of employees in the specified category.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Labour Standards

Prevent the Use of Child Labour and Forced Labour

The Group maintains a strict prohibition against the employment of child or forced labour. Through the well-established recruitment policies, including verifying the identity documents of all applicants by Human Resources Department during the recruitment process to ensure that our employees are all above the minimum legal working age and no forced labour is hired. In case any irregularities in ages, identities and/or validities of employment status were found, employment will be terminated immediately and conduct an investigation. Further follow-up actions will be taken if necessary.

During the Reporting Period, the Group did not identify any violations of the Employment Ordinance, the Employment of Children Regulations or other relevant laws and regulations on the prevention of child labour or forced labour.

Operating Practices

Supply Chain Management

The Group's suppliers primarily consist of trading platforms service providers, financial information solution service providers, financial and consulting service providers, etc. The Group is committed to minimizing potential environmental and social risks in the supply chain. We are committed to implementing strict procurement procedures and selecting suppliers through a transparent and fair procurement process. During the process of selecting suppliers, the Group evaluates and assesses the suppliers' quality of services and products, their experience and track record, and performance in corporate social responsibility, including their environmental, social and ethical standards. The Group will only select suppliers and partners with good business records in the past and no serious violations of regulations or business ethics. Preference is given to suppliers who demonstrate their environmental commitment. If the conduct of any supplier is found to be inconsistent with the Group's policies during the course of the cooperation, the cooperation will be immediately discontinued until the situation is improved.

During the Reporting Period, the Group's suppliers were distributed by region as follows:

Region	Number of suppliers	
	2025	2024
Hong Kong	42	37
China	2	2
Total	44	39

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Product Services and Responsibilities

Protect Customer Privacy

The Group places the highest priority on protecting the privacy of our customers and employees in the collection, processing and use of their personal data in compliance with Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong). In order to protect personal data, the Group has formulated "Information Technology Management System Policy" based on relevant regulations to ensure compliance. The policy clearly outlines the procedures for accessing, transmitting and managing customer information to prevent improper disclosure or misuse of customer information. In addition, the Group has also implemented information system control, standardized the use and storage of data, and regularly maintained the information system to prevent unauthorized persons from intruding and obtaining relevant customer information. The Group has signed confidentiality agreements with relevant employees to maintain the security of customer information and transaction confidentiality. The Group will only collect personal information necessary for the conduct of business and such information will not be used for purposes without the consent of the relevant persons. Personal data will not be transferred or disclosed to non-members of the Group or the public.

During the Reporting Period, we were not aware of any non-compliance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).

Service Quality and Complaint Handling

Ensuring service quality remains the foremost priority in the Group's operations. The Group persists in delivering top-notch services to meet and exceed customer expectations.

The Group has in place procedures relating to the services and products provided. To suit the client's needs, the financial services or products provided to clients are based on their financial background, trading experience and risk tolerance level after the "Know Your Clients" procedures and assessment processes were performed. We are committed to providing clear and balanced information to clients. Product features, terms and conditions, and any associated risks are clearly communicated to ensure clients can make an informed decision. Moreover, all marketing materials must be based on facts and do not contain any biased opinions intended to mislead customers into making purchases. The Group is responsible for ensuring that the content of all marketing materials and statements is true and accurate. Before making any investment recommendations to customers, an investment risk profile assessment must be conducted to ensure that the recommended investment products are most in line with the customer's own investment risk profile.

The Group has established a procedure for handling complaints, allowing all customers to submit complaints via email, letters, or telephone. Complaints will be addressed by the appropriate personnel or department heads. The Group will consistently evaluate received complaints and implement corrective actions to prevent the recurrence of similar issues.

During the Reporting Period, the Group did not receive any significant complaints.

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Protect Intellectual Property

The Group strictly abides by the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong) and other relevant laws and regulations. We develop standardized procurement processes to standardize the procurement of office software and hardware, ensuring that only software, hardware and hardware with formal copyrights are used. During the Reporting Period, we did not receive any complaints regarding intellectual property infringement.

Anti-corruption and Combating Money Laundering

We are well aware that financial crimes can have significant consequences for our Group. The Group adopts a zero-tolerance policy against financial crimes such as corruption, bribery, extortion, fraud, money laundering, insider trading, monopoly and competitive behaviour. Employees are strictly mandated to adhere to the Code of Conduct for Persons Licensed or Registered by the Securities and Futures Commission, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), and the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

All employees have the opportunity to report any suspected instances of corruption or money laundering anonymously, with the assurance that the identity of the reporter will be kept confidential and protected throughout the investigation process. We will seriously follow up on complaints related to ethics and integrity and thoroughly investigate suspicious cases. If any employee is found to have violated the Code of Conduct, we will immediately terminate the relevant employee's contract and reserve the right to take necessary legal action.

During the Reporting Period, there were no concluded legal cases (2024: Nil) regarding corrupt practices brought against the Group or its employees and no significant risks relating to corruption had been identified. Directors and relevant staff are provided with training materials on anti-corruption and ethical issues in order to strengthen business ethics and to keep them updated in relation to regulatory and ethical requirements.

Community Investment

To support the residents affected by the serious fire which broke out at Wang Fuk Court in Tai Po, the Group has made a donation of HK\$1 million in total to the "Support Fund for Wang Fuk Court in Tai Po" set up by the government of Hong Kong. This contribution is dedicated to meeting the urgent needs of grieving families and aiding community recovery. The Group extends its deepest condolences to the families who have lost loved ones in this tragedy, including the brave firefighter who lost his life saving lives. The Group remains committed to actively fulfilling its corporate social responsibilities and standing together with the people of Hong Kong to overcome this difficult time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HONG KONG EXCHANGES AND CLEARING LIMITED ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Relevant section(s) of this ESG Report
A. Environmental		
Aspect A1: Emissions		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENTAL
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group did not produce hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Metrics and Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management
Aspect A2: Use of Resources		
General disclosure	Policies on efficient use of resources including energy, water and other raw materials.	ENVIRONMENTAL
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Metrics and Targets
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resources
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Material
Aspect A3: The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	ENVIRONMENTAL
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Relevant section(s) of this ESG Report
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	SOCIAL
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Distribution and Employee Turnover Rate
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Distribution and Employee Turnover Rate
Aspect B2: Health and Safety		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Relevant section(s) of this ESG Report
Aspect B4: Labour Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Operating Practices		
Aspect B5: Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Services and Responsibilities
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable for the Group's business.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Service Quality and Complaint Handling
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protect Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Service Quality and Complaint Handling

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Subject Areas, Aspects, General Disclosures and KPIs		Relevant section(s) of this ESG Report
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protect Customer Privacy
Aspect B7: Anti-corruption		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption and Combating Money Laundering
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption and Combating Money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption and Combating Money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption and Combating Money Laundering
Community		
Aspect B8: Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

(I) Governance

- 19 An issuer shall disclose information about:
- 19(a) the governance body(ies) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(ies) or individual(s) and disclose information about:
- 19(a)(i) how the body(es) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;
- 19(a)(ii) how and how often the body(es) or individual(s) is informed about climate-related risks and opportunities;
- 19(a)(iii) how the body(es) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(es) or individual(s) has considered trade-offs associated with those risks and opportunities;
- 19(a)(iv) how the body(es) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and
- 19(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:
- 19(b)(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and
- 19(b)(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.

ESG Governance;
Climate Change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

(II) Strategy

Climate-related risks and opportunities

20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
20(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	
20(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate-related Risks;
20(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate-related Opportunities
20(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	

Business model and value chain

21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	Climate-related Risks;
21(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate-related Opportunities
21(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

Strategy and decision-making

22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
22(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
22(a)(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
22(a)(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Climate-related Risks;
22(a)(iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Climate-related Opportunities
22(a)(iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
22(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	

Financial position, financial performance and cash flows

Current financial effects

24	An issuer shall disclose qualitative and quantitative information about:	
24(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	For qualitative information, Climate Change section.
24(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Quantitative disclosure not provided — Financial Effects Relief applied.

Anticipated financial effect

25	The issuer shall provide qualitative and quantitative disclosures about:	
25(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
25(a)(i)	its investment and disposal plans; and	
25(a)(ii)	its planned sources of funding to implement its strategy; and	
25(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Quantitative disclosure not provided — Capability Relief applied.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

Climate resilience

- 26 An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:
- 26(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
- 26(a)(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
- 26(a)(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
- 26(a)(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;
- 26(b) how and when the climate-related scenario analysis was carried out, including:
- 26(b)(i) information about the inputs used, including:
- 26(b)(i)(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;
- 26(b)(i)(2) whether the analysis included a diverse range of climate-related scenarios;
- 26(b)(i)(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;
- 26(b)(i)(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;
- 26(b)(i)(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;
- 26(b)(i)(6) time horizons the issuer used in the analysis; and
- 26(b)(i)(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);
- 26(b)(ii) the key assumptions the issuer made in the analysis; and
- 26(b)(iii) the reporting period in which the climate-related scenario analysis was carried out.

Quantitative scenario analysis not provided — Capability Relief applied.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

(III) Risk Management

- 27 An issuer shall disclose information about:
- 27(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:
- 27(a)(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);
- 27(a)(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;
- 27(a)(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);
- 27(a)(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; Strategy and Risk Management, Climate Scenarios
- 27(a)(v) how the issuer monitors climate-related risks; and
- 27(a)(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;
- 27(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and
- 27(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.

(IV) Metrics and Targets

Greenhouse gas emissions

- 28 An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as: Environmental Performance Indicators
- 28(a) Scope 1 greenhouse gas emissions;
- 28(b) Scope 2 greenhouse gas emissions; and
- 28(c) Scope 3 greenhouse gas emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

Greenhouse gas emissions

- 29 An issuer shall:
- 29(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;
- 29(b) disclose the approach it uses to measure its greenhouse gas emissions including:
- 29(b)(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;
- 29(b)(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and
- 29(b)(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;
- 29(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and
- 29(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Environmental
Performance Indicators

Climate-related transition risks

- 30 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.

Information not obtained
— Reasonable Information Relief applied (undue cost or effort).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

Climate-related physical risks

31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Information not obtained — Reasonable Information Relief applied (undue cost or effort).
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Climate-related opportunities

32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Information not obtained — Reasonable Information Relief applied (undue cost or effort).
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Capital deployment

33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The amounts involved in the relevant capital expenditures, financing, or investments are relatively small and do not constitute a material impact.
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Internal carbon prices

34	An issuer shall disclose:	
34(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	The Company has not yet applied a carbon price in decision-making yet, but the Group will continue to closely monitor relevant industry developments.
34(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

Remuneration

35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	ESG Governance
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Industry-based metrics

36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Peer information unavailable — Reasonable Information Relief applied (confidential/ not publicly disclosed).
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Climate-related targets

37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
37(a)	the metric used to set the target;	
37(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
37(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Metrics and Targets
37(d)	the period over which the target applies;	
37(e)	the base period from which progress is measured;	
37(f)	milestones or interim targets (if any);	
37(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
37(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Part D: Climate-related Disclosures

Climate-related targets

38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
38(a)	whether the target and the methodology for setting the target has been validated by a third party;	
38(b)	the issuer's processes for reviewing the target;	
38(c)	the metrics used to monitor progress towards reaching the target; and	Metrics and Targets
38(d)	any revisions to the target and an explanation for those revisions.	
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
40(a)	which greenhouse gases are covered by the target;	
40(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
40(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
40(d)	whether the target was derived using a sectoral decarbonisation approach; and	Our targets were not derived using a sectoral decarbonisation approach.
40(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
40(e)(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	The Group did not purchase any carbon credits in this financial year.
40(e)(ii)	which third-party scheme(s) will verify or certify the carbon credits;	
40(e)(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
40(e)(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	

INDEPENDENT AUDITOR'S REPORT



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TO THE MEMBERS OF CHINA VERED FINANCIAL HOLDING CORPORATION LIMITED

(incorporated in Hong Kong with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated financial statements of China Vered Financial Holding Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), set out on pages 92 to 181, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Basis for Qualified Opinion

Comparability of the current year's figures and the corresponding figures for the year ended 31 December 2024 in the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity

The Group held an investment in a fund (the "Fund F") as disclosed in note 20 to the consolidated financial statements. We have previously qualified our opinion in respect of the Group's consolidated financial statements for the year ended 31 December 2024 as we were unable to obtain sufficient appropriate audit evidence to verify the opening carrying value of the Fund F as at 1 January 2024 and the timing of the relevant fair value loss on investment recognised in relation to the Fund F. Therefore, we were unable to determine whether any adjustments to the opening carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment recognised in respect of the Fund F for the years ended 31 December 2023 and 2024, were necessary, which may have a significant impact on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ended 31 December 2024. Details of the qualified opinion were set out in the independent auditor's report in respect of the year ended 31 December 2024 dated 28 March 2025 which were included in the Company's 2024 annual report.

Because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures for the year ended 31 December 2024 in the consolidated financial statements, our opinion on the consolidated financial statements for the year ended 31 December 2025 is also modified.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for Qualified Opinion" 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
<p>Valuation of financial assets at fair value through profit or loss which were categorised as level 3</p> <p>Refer to notes 2.8, 3.5, 4.1 and 20 to the consolidated financial statements.</p> <p>As at 31 December 2025, the Group held financial assets classified as financial assets at fair value through profit or loss with carrying value of HK\$1,886,221,000, which were categorised as level 3 in the fair value hierarchy. Management engaged independent external valuer to perform valuations on certain financial assets at the end of the reporting period.</p> <p>In assessing valuation of such assets, management exercise significant judgement on the selection of appropriate valuation techniques such as market approach, discounted cash flows and net asset value method which include unobservable inputs such as price to sales ratio, price to book ratio, discount rates, and liquidity discounts, etc</p> <p>We have identified the above matter as a key audit matter due to the materiality of the balances and the high degree of subjectivity and management judgement. Due to the fact that availability of market data and observable inputs is limited for these financial assets, management judgement is involved in both selection of appropriate valuation technique and unobservable inputs.</p>	<p>Our key procedures, among other, included:</p> <ul style="list-style-type: none">• Obtained an understanding of the management's internal control over the valuation of the financial assets categorised as level 3 and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;• Based on the results of risk assessments, involved our experts to review the reasonableness of the valuation by assessing the model, inputs and key assumptions adopted, as appropriate;• Evaluating the competence, capabilities and objectivity of the independent qualified professional valuer and our experts;• Assessed the appropriateness of the valuation techniques based on our industry knowledge and the market practices;• Verified key inputs and information identified by management that were used in the valuation against the underlying source documentation, including external report relevant for valuation; and• Assessed the need of key valuation adjustments by challenging management on the appropriateness of key assumptions based on available information and facts and circumstances of these financial assets without quoted price in active market.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of expected credit losses (“ECL”) of loan and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables</p>	
<p>Refer to notes 2.9, 3.2, 21, 22, 23 and 25 to the consolidated financial statements.</p>	<p>Our key procedures, among other, included:</p>
<p>As at 31 December 2025, the Group had loan and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables of approximately HK\$216,366,000, HK\$Nil, HK\$77,631,000, HK\$121,425,000 and HK\$8,152,000 respectively, after provision of ECL of HK\$266,288,000, HK\$75,991,000, HK\$138,427,000, HK\$330,575,000 and HK\$9,629,000 respectively.</p>	<ul style="list-style-type: none">• Obtained an understanding of the management’s key control over the identification of significant changes in borrowers’ and issuers’ credit risk based on established criteria. The key controls are the watch list monitoring, staging allocation approval and review of quarterly credit monitoring reports by the risk function;• With the support of our expert assessed the application of key ECL model definitions, staging, model methodologies, key inputs and assumptions;• Evaluating the competence, capabilities and objectivity of our expert;• Assessed and challenged the reasonableness of the management judgement in determining the criteria for significant increase in credit risk, and definition of credit-impaired. We also tested the application of such criteria for the staging allocation; and• Tested the completeness and accuracy of key ECL data inputs on a sample basis by reviewing the counterparties’ credit information such as credit risk ratings, overdue status and other relevant information.• Checked the adequacy of related disclosures including the disclosures of credit risk and ECL.
<p>The Group assessed whether the credit risk of loan and interest receivables, margin receivables, other interest receivables, financial assets at amortised cost and debt investments at fair value through other comprehensive income has increased significantly since their initial recognition, and apply a three-stage impairment model to calculate their ECL. In assessing the provision of ECL, management exercise significant judgement on the selection of unobservable data inputs to this three-stage impairment model including probability of default, exposure at default, loss given default and discount rate.</p>	
<p>We have identified the above matter as a key audit matter because it involves critical accounting estimates and judgements on management assessment and identification of significant changes in borrowers’ and issuers’ credit risk and selection of key unobservable inputs to the three-stage impairment model.</p>	

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2025 annual report of the Company 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 THE AUDIT COMMITTEE 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 Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

INDEPENDENT AUDITOR'S REPORT

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional 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 audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong,

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

Fong Chin Lung

Practising Certificate Number: P07321

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Interest income		51,001	62,400
Commission and fee income		17,270	21,036
Investment income		45,616	25,956
Total revenue	5, 6	113,887	109,392
Net gain on financial assets/liabilities	7	56,277	436,481
Other income/(loss)		1,331	(6,078)
Trading costs		(4,842)	(12,872)
Staff costs and related expenses	11	(57,375)	(157,864)
Premises expenses		(3,273)	(11,019)
Legal and professional fees		(13,419)	(14,185)
Depreciation	15	(1,896)	(1,253)
Information technology expenses		(3,337)	(5,053)
Reversal of/(provision for) expected credit losses ("ECL")	9	9,369	(39,179)
Other operating expenses		(10,701)	(14,876)
Share of post-tax profit/(loss) of associates	19	18,623	(9,167)
Finance costs	8	(412)	(700)
Profit before income tax	9	104,232	273,627
Income tax credit/(expense)	10	19,591	(50,431)
Profit for the year		123,823	223,196
Profit/(loss) attributable to:			
— Owners of the Company		124,155	222,816
— Non-controlling interests		(332)	380
		123,823	223,196
		HK Cents per share	HK Cents per share (restated)
Earnings per share attributable to owners of the Company			
Basic earnings per share	14	6.68	12.85
Diluted earnings per share	14	6.68	12.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Profit for the year		123,823	223,196
Other comprehensive (loss)/income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net change in fair value on equity instruments at fair value through other comprehensive income, net of tax	21(a)&(b)	(328)	(20,836)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in fair value on debt instruments at fair value through other comprehensive income, net of tax		(11,288)	2,511
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	21(c)	7,465	(796)
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income		(1,794)	5,318
Exchange differences on translation of foreign operations		5,783	(26,252)
Other comprehensive loss for the year, net of tax		(162)	(40,055)
Total comprehensive income for the year		123,661	183,141
Total comprehensive income/(loss) for the year attributable to:			
— Owners of the Company		124,016	183,424
— Non-controlling interests		(355)	(283)
		123,661	183,141

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	6,697	8,535
Right-of-use assets		8,114	10,277
Goodwill	16	5,079	5,079
Other intangible assets	17	–	–
Investments in associates	19	87,354	68,731
Rental and other deposits		871	3,385
Financial assets at fair value through profit or loss	20	1,886,221	2,850,203
Financial assets at fair value through other comprehensive income	21	182,928	254,580
Financial assets at amortised cost	22	73,811	–
Deferred tax assets	10	145,087	138,849
Total non-current assets		2,396,162	3,339,639
Current assets			
Margin receivables and other trade receivables	23	8,246	12,774
Other receivables, prepayments and deposits	24	12,649	11,148
Loan and interest receivables	25	216,366	118,175
Other interest receivables		8,152	5,865
Financial assets at fair value through profit or loss	20	1,797,410	664,944
Financial assets at fair value through other comprehensive income	21	6,583	88,874
Financial assets at amortised cost	22	3,820	26,007
Tax receivables		1,405	–
Deposits with brokers	26	80,505	42,537
Cash and cash equivalents	26	302,123	419,733
Total current assets		2,437,259	1,390,057
Total assets		4,833,421	4,729,696

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	4,582,684	4,582,684
Other reserves	29	399,960	(82,939)
Accumulated losses		(479,878)	(120,995)
		4,502,766	4,378,750
Non-controlling interests		5,933	6,288
Total equity		4,508,699	4,385,038
LIABILITIES			
Non-current liabilities			
Lease liabilities		6,702	8,956
Deferred tax liabilities	10	32,496	–
Total non-current liabilities		39,198	8,956
Current liabilities			
Accruals and other payables	27	142,562	138,331
Financial liabilities at fair value through profit or loss	20	–	9,892
Current tax liabilities		140,708	185,544
Lease liabilities		2,254	1,935
Total current liabilities		285,524	335,702
Total liabilities		324,722	344,658
Total equity and liabilities		4,833,421	4,729,696
Net current assets		2,151,735	1,054,355
Total assets less current liabilities		4,547,897	4,393,994

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

Li Feng
Director

Xie Fang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital	Capital reduction reserve	Special capital reserve	Foreign currency translation reserve	Statutory surplus reserve	Investment revaluation reserve (non-recycling)	Investment revaluation reserve (recycling)	Accumulated losses	Total	Non-Controlling Interests	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2025	4,582,684	140,850	726,699	(68,060)	1,542	(895,590)	11,620	(120,995)	4,378,750	6,288	4,385,038
Comprehensive income											
Profit for the year	-	-	-	-	-	-	-	124,155	124,155	(332)	123,823
Other comprehensive income/(loss)											
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	(328)	(11,288)	-	(11,616)	-	(11,616)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	7,465	-	7,465	-	7,465
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(1,794)	-	(1,794)	-	(1,794)
Exchange differences on translation of foreign operations	-	-	-	5,806	-	-	-	-	5,806	(23)	5,783
Total comprehensive income/(loss) for the year ended 31 December 2025	-	-	-	5,806	-	(328)	(5,617)	124,155	124,016	(355)	123,661
Transfer of accumulated fair value loss of equity instruments at fair value through other comprehensive income to accumulated losses upon disposal (Note 21a)	-	-	-	-	-	483,038	-	(483,038)	-	-	-
Balance at 31 December 2025	4,582,684	140,850	726,699	(62,254)	1,542	(412,880)	6,003	(479,878)	4,502,766	5,933	4,508,699

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company											
	Share capital HK\$'000	Capital reduction reserve HK\$'000	Shares held for share award plan HK\$'000	Special capital reserve HK\$'000	Foreign	Statutory surplus reserve HK\$'000	Investment	Investment	Accumulated losses HK\$'000	Total HK\$'000	Non-Controlling Interests HK\$'000	Total Equity HK\$'000
					currency		revaluation	revaluation				
					translation reserve HK\$'000		reserve (non-recycling) HK\$'000	reserve (recycling) HK\$'000				
Balance at 1 January 2024	4,454,374	140,850	(178,292)	726,699	(42,471)	1,542	(869,878)	4,587	(255,035)	3,982,376	6,581	3,988,957
Comprehensive income												
Profit for the year	-	-	-	-	-	-	-	-	222,816	222,816	380	223,196
Other comprehensive (loss)/income												
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(20,836)	2,511	-	(18,325)	-	(18,325)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(796)	-	(796)	-	(796)
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	5,318	-	5,318	-	5,318
Exchange differences on translation of foreign operations	-	-	-	-	(25,589)	-	-	-	-	(25,589)	(663)	(26,252)
Total comprehensive (loss)/income for the year ended 31 December 2024	-	-	-	-	(25,589)	-	(20,836)	7,033	222,816	183,424	(283)	183,141
Transfer of accumulated fair value gain of equity instruments at fair value through other comprehensive income to accumulated losses upon disposal (Note 21b)	-	-	-	-	-	-	(4,876)	-	4,876	-	-	-
Transactions with owners, recognised directly in equity												
New shares issued	128,310	-	-	-	-	-	-	-	-	128,310	-	128,310
Release of shares held for share award plan	-	-	178,292	-	-	-	-	-	(93,831)	84,461	-	84,461
Change in ownership interests of a subsidiary without change of control	-	-	-	-	-	-	-	-	179	179	(10)	169
Balance at 31 December 2024	4,582,684	140,850	-	726,699	(68,060)	1,542	(895,590)	11,620	(120,995)	4,378,750	6,288	4,385,038

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities		
Profit before income tax	104,232	273,627
Adjustments for:		
Interest income	(51,001)	(62,400)
Dividend income	(45,616)	(25,956)
Depreciation of property, plant and equipment	1,896	1,253
Depreciation of right-of-use assets (included in premises expenses)	2,163	2,985
Loss/(gain) on disposal of subsidiaries	1,796	(251)
Gain on disposal of property, plant and equipment	–	(277)
Write-off of property, plant and equipment	–	2
Share of (profit)/loss from investments accounted for using equity method	(18,623)	9,167
Share-based payment expense	–	84,461
(Reversal of)/provision for ECL allowances	(9,369)	39,179
Net gain on financial assets/liabilities	(56,277)	(436,481)
Finance costs	412	700
Foreign exchange (gain)/loss on operating activities	(3,030)	8,078
Operating cash flows before movements in working capital	(73,417)	(105,913)
Change in margin receivables and other trade receivables, other receivables, prepayments and deposits	24,320	74,374
Change in loan receivables	(99,937)	91,349
Change in deposits with brokers	(37,968)	170,471
Change in accruals and other payables	4,604	(23,427)
Cash (used in)/generated from operations	(182,398)	206,854
Purchases of financial assets at fair value through profit or loss	(2,539,869)	(1,373,466)
Purchases of financial assets at fair value through other comprehensive income	(346,341)	(280,715)
Purchases of financial assets at amortised cost	–	(38,939)
Proceeds from disposal of financial assets at fair value through profit or loss	2,335,681	875,652
Proceeds from disposal of financial assets at fair value through other comprehensive income	451,733	206,912
Proceeds from disposal of financial assets at amortised cost	23,327	15,623
Proceeds from other financial liabilities at fair value through profit or loss	3,690	2,480
Settlement of other financial liabilities at fair value through profit or loss	(12,338)	(7,614)
Capital distribution from financial assets at fair value through profit or loss	18,746	26,500
Capital distribution from financial assets at fair value through other comprehensive income	36,641	64,471
Dividend received	45,616	25,956
Bank and other interest received	45,219	62,871
Interest paid	(412)	(1,692)
Income tax paid	(394)	(3,418)
Net cash used in operating activities	(121,099)	(218,525)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from investing activities			
Net proceeds from disposal of a subsidiary		716	–
Purchases of property, plant and equipment		(97)	(8,399)
Proceeds from disposal of property, plant and equipment		–	285
Net cash from/(used in) investing activities		619	(8,114)
Cash flows from financing activities			
Repayment of loan payables	35	–	(26,647)
Principal elements of lease rentals paid	35	(1,935)	(2,546)
Proceeds from disposal of ownership interest of a subsidiary without loss of control		–	169
Net cash used in financing activities		(1,935)	(29,024)
Net decrease in cash and cash equivalents		(122,415)	(255,663)
Cash and cash equivalents at the beginning of the year		419,733	689,636
Effects of exchange rate changes		4,805	(14,240)
Cash and cash equivalents at the end of the year, represented by bank balances	26	302,123	419,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

China Vered Financial Holding Corporation Limited (the “Company”) was incorporated in Hong Kong with limited liability. The address of its registered and business office is Suites 2803–04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its principal subsidiaries include investment holding, provision of asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

The consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”).

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2025:

- Amendments to HKAS 21 — Lack of Exchangeability

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future reporting periods.

New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published but are not effective for 31 December 2025 reporting periods and have not been early adopted by the Group:

- Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments¹
- Annual Improvements to HKFRS Accounting Standards — Volume 11¹
- Amendments to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity¹
- HKFRS 18 — Presentation and Disclosure in Financial Statements²
- HKFRS 19 — Subsidiaries without Public Accountability: Disclosures²
- Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³

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

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

³ The effective date to be determined

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation *(Continued)*

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person of Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the executive directors as its chief operating decision maker.

2.5 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in thousands of HK dollars ("HK\$'000"), which is the Company's functional and the Group's presentation currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within "Finance costs". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "Other loss".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, except that for non-monetary financial assets, such as equities, classified as financial assets at fair value through other comprehensive income, in which case with translation differences are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (b) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the lease term of 5 years
Furniture, fixtures and office equipment	20%
Software	20%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other income/(loss)" in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Trading right and license

Separately acquired licences are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

2.8 Financial assets

Initial recognition and measurement

Financial assets within the scope of HKFRS 9 are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired and the contractual cash flows of the financial assets. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

Initial recognition and measurement (Continued)

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

Assets are classified as current assets if expected to be realised within 12 months; otherwise, they are classified as non-current.

The Group's financial assets include margin receivables and other trade receivables, other receivables, deposits, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, financial assets at amortised cost, loan and interest receivables, other interest receivables, deposits with brokers and cash and bank balances.

Transfers between levels of the fair value hierarchy are deemed to be occurred at the beginning of the reporting period.

Subsequent measurement

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

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss within "Net gain on financial assets/liabilities" in the period in which they arise. These net fair value changes do not include any interest earned on these financial assets. Interest income is recognised in revenue on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the gross carrying amount of the financial asset.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under HKFRS 9 are satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Subsequent measurement *(Continued)*

(ii) *Financial assets at amortised cost*

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as loan and interest receivables, margin receivables, other trade receivables, other receivables, deposits, other interest receivables and some debt securities, are measured at amortised cost. The carrying value of these financial assets at initial recognition includes the directly attributed transactions costs.

The Group may commit to underwriting loans on fixed contractual terms for specified periods of time. When the loan arising from the lending commitment is expected to be held for trading, the commitment to lend is recorded as a financial liabilities at fair value through profit or loss by initial recognition. When the Group intends to hold the loan, the loan commitment is included in the impairment calculations set out below.

(iii) *Financial assets at fair value through other comprehensive income*

(a) Debt instruments

Financial assets held for a business model that is achieved by both selling and collecting contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at fair value through other comprehensive income. These comprise primarily debt securities. They are recognised on the trade date when the Group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the consolidated statement of profit or loss as "Net gain on financial assets/liabilities".

(b) Equity instruments

The equity securities and investment funds for which fair value movements are shown in other comprehensive income are for business facilitation and other similar investments where Group holds the investments other than to generate a capital return. Otherwise, equity investments are measured at fair value through profit or loss. Gains or losses on derecognition of these equity investments are not transferred to profit or loss, except for dividend income which is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of amortised cost and debt investments at fair value through other comprehensive income

Expected credit losses (“ECL”) are recognised for loan and interest receivables, margin receivables, financial assets at amortised cost, other interest receivables, other receivables and debt investments at fair value through other comprehensive income. At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) (“12-month ECL”). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument (“lifetime ECL”). Financial assets where 12-month ECL is recognised are considered to be “stage 1”; financial assets which are considered to have experienced a significant increase in credit risk are in “stage 2”; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit-impaired are in “stage 3”. Purchased or originated credit-impaired financial assets (POCI) are treated differently as set out below.

Unimpaired and without significant increase in credit risk (stage 1)

ECL resulting from default events that are possible within the next 12 months (“12-month ECL”) are recognised for financial instruments that remain in stage 1.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument. The assessment explicitly or implicitly have experienced a significant increase in credit risk, taking into account reasonable and supportable information, including information about past events, current conditions and future economic conditions. The assessment is unbiased, probability-weighted, and to the extent relevant, uses forward-looking information consistent with that used in the measurement of ECL. The analysis of credit risk is multifactor. The determination of whether a specific factor is relevant and its weight compared with other factors depends on the characteristics of the financial instrument, the borrower and their industries. Therefore, it is not possible to provide a single set of criteria that will determine what is considered to be a significant increase in credit risk and these criteria will differ for different types of client. However, unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due. In addition, corporate and commercial customers, and included on a watch or worry list are included in stage 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of amortised cost and debt investments at fair value through other comprehensive income *(Continued)*

Credit-impaired (stage 3)

The Group determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are 90 days past due or above;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the loan is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

Interest income is recognised by applying the effective interest rate to the amortised cost amount, i.e. gross carrying amount less ECL allowance.

Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of collateral. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

Movement between stages

Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described above. Except for renegotiated loans, financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above. For loans that are assessed for impairment on a portfolio basis, the evidence typically comprises a history of payment performance against the original or revised terms, as appropriate to the circumstances. For loans that are assessed for impairment on an individual basis, all available evidence is assessed on a case-by-case basis.

Measurement of ECL

The assessment of credit risk, and the estimation of ECL, are unbiased and probability-weighted, and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active market, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

2.11 Financial liabilities

Financial liabilities measured at fair value through profit or loss refers to (i) shares of an unlisted consolidated investment fund held by parties other than the Group and (ii) other financial liabilities. The shares are classified as financial liabilities as they are puttable by the holders.

Except for financial liabilities measured at fair value through profit or loss, other financial liabilities including loan and interest payables, margin payables, trade payables and other payables are subsequently measured at amortised cost, using the effective interest method.

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.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.13 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. The Group applies the HKFRS 9 simplified approach to measure ECL which uses lifetime ECL allowance for all trade receivables.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.15 Collateral

Cash collateral provided by the Group, if any, is identified in the statement of financial position as "Pledged bank balances" and are not included as a component of cash and cash equivalents.

2.16 Segregated accounts

Segregated accounts maintained by the Group to hold clients' monies are treated as off statement of financial position items and are disclosed in note 26 to the consolidated financial statements.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend on ordinary shares is recognised as a liability in the consolidated financial statements in the period in which it is approved by the shareholders or directors where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.18 Loan payables and margin payables

Loan payables and margin payables are recognised initially at fair value, net of transaction costs incurred. Borrowings, including loan payables and margin payables, are subsequently carried at amortised cost; any difference between the proceeds (net of transaction cost) and the redemption value is recognised in the consolidated statement of profit or loss as "Finance costs" over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Loan payables and margin payables are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Loan payables and margin payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business. Trade payables are normally classified as current liabilities in normal operating cycle of business even if they are due to be settled more than twelve months after the reporting period.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.20 Repurchase agreements

The obligations under repurchase agreements arises when the securities re-pledged are sold by the Group with a concurrent agreement to repurchase at a specified later date and price. These securities are not required to be derecognised in the consolidated statement of financial position. The consideration received by the Group is recognised as “loan and interest payables” in the consolidated statement of financial position. The Group may be required to provide additional collateral based on the fair value of the underlying assets if necessary. Repurchase agreements are initially measured at fair value and are subsequently measured at amortised cost.

2.21 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) *Deferred income tax*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

(a) *Retirement benefits scheme*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the Scheme.

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs, depending on the location of the subsidiaries, of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) are not used by the Company to reduce the existing level of contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.22 Employee benefits *(Continued)*

(b) Employee level entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(c) Bonus

The Group recognises a liability and an expense for bonuses, in which the bonus scheme is at the discretion of the Group's Directors based on the Group performance that takes into consideration the profit attributable to the Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Share-based payments

Equity-settled share-based payments to employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to certain employees and Directors are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as expense.

(e) Other termination benefits

The Group recognises a liability and an expense for the remaining remuneration under the employment contract when the employees are voluntarily separated from the Company and they are not considered providing any future economic benefits to the Company.

2.23 Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition

(a) **Interest income**

Interest income includes interest income from bond investment, note investment, loan lending, bank deposits and margin financing. Interest income for all interest-bearing financial instruments are recognised within "Interest income" in the consolidated statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

(b) **Revenue from contracts with customers within HKFRS 15**

Nature of goods or services

The nature of the goods or services provided by the Group is asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

Identification of performance obligations

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

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

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

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

Timing of revenue recognition

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition *(Continued)*

(b) Revenue from contracts with customers within HKFRS 15 *(Continued)*

Timing of revenue recognition (Continued)

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

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

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

The Group's revenue is recognised on the following basis:

Commission and fee income includes brokerage commission income, loan arrangement fee income, performance fee income, management fee income, underwriting fee income and advisory fee income.

Brokerage commission income on dealing in securities contracts is recognised on a trade date basis when the relevant transaction is executed.

Loan arrangement fees are recognised as revenue when the loan has been granted by the Group and accepted by the borrowers and the related arrangement services have been completed.

Performance fees are recognised on the performance fee valuation day of the investment funds and managed accounts when there is a positive performance for the relevant performance period and it is determined that they are no longer highly probable of significant reversal in a subsequent period, taking into consideration the relevant basis of calculation for the investment funds and managed accounts. If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. Before including any estimated amount of variable consideration in the transaction price, the Group considers whether it is constrained based on the historical experience, business forecast and the current economic conditions.

Management fees are recognised as the services are performed over time and are primarily based on agreed upon percentage of the net asset values of the investment funds and managed accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition *(Continued)*

(b) Revenue from contracts with customers within HKFRS 15 *(Continued)*

Timing of revenue recognition (Continued)

Underwriting commission income are recognised as revenue in accordance with the terms of the underwriting agreement or deal mandate when the relevant significant acts have been completed.

Advisory fee income are recognised when advisory services are rendered.

Other fee income are recognised as revenue when the Group performs its role as an agent and when the corresponding services are rendered.

(c) Investment income

Investment income includes dividend income which is recognised when the right to receive payment is established.

2.25 Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For provision of advisory service, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed (i.e. the timing of revenue recognition for advisory fee income). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

2.26 Finance costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

Finance costs include interest expense and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gain and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (Continued)

2.27 Leases

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

As lessee

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

The Group accounts for each lease component within a lease contract as a lease separately. 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.

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

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

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

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

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

Office premises

5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.27 Leases *(Continued)*

As lessee *(Continued)*

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.27 Leases *(Continued)*

As lessee (Continued)

A lease modification is accounted for as a separate lease if

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease 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.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management objective is to enhance shareholder value while retaining exposure within acceptable thresholds in response to changes in markets. The Group has a robust risk management system in place to identify, analyse, assess and manage risks.

The Group's risk management is carried out by the Risk Management Department under policies approved by the board of directors. The Group's Risk Management Department provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating credit risk, market risk, liquidity risk, capital management risk and risk limits setting and monitoring.

The Group's Investment Committee ensures that there are formal and transparent procedures for planning and approving investments for the Group. The Investment Committee meets on a regular basis to review and approve various investment projects to be committed by the Group, and to monitor and assess the risks on the investment projects to ensure that they are in line with the investment strategy and policies of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Market risk

3.1.1 Foreign exchange risk

The Group has certain exposures to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency, mainly US dollars ("USD"), Renminbi ("RMB") and Japanese yen ("JPY"). As USD is pegged to HK\$, the Group does not expect any significant movement in the USD/HK\$ exchange rate. The directors have also assessed the impact of foreign currency risk and considered that it is insignificant to the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposures closely and will consider hedging significant foreign currency exposures should the need arise.

The following table indicates the impact of management's reasonable expectation on the movement in foreign exchange rate on the Group's profit before income tax and on investment revaluation reserve in equity as at 31 December 2025 and 2024:

As at 31 December 2025

	Impact on profit before tax HK\$'000	Impact on investment revaluation reserve in equity HK\$'000
If Hong Kong Dollar strengthens/weakens against RMB by 5%	-/+ 3,512	-/+ 6,992
If Hong Kong Dollar strengthens/weakens against JPY by 5%	-/+ 9,577	-/+ 6,858
If Hong Kong Dollar strengthens/weakens against CAD by 5%	-	-/+ 410

As at 31 December 2024

	Impact on profit before tax HK\$'000	Impact on investment revaluation reserve in equity HK\$'000
If Hong Kong Dollar strengthens/weakens against RMB by 5%	-/+ 3,324	-/+ 6,425
If Hong Kong Dollar strengthens/weakens against JPY by 5%	-/+ 9,969	-/+ 10,999
If Hong Kong Dollar strengthens/weakens against CAD by 5%	-	-/+ 395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Market risk (Continued)

3.1.2 Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position either as at fair value through other comprehensive income or at fair value through profit or loss. Some of the Group's equity investments are listed on stock exchange in the world and are valued at quoted market prices as at the reporting date.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The Group's exposures are closely monitored by other relevant internal control units, including the Risk Management Department, the Finance Department, the Legal and Compliance Department and the Internal Audit Department.

Listed equity investments

The table below summarises the impact of changes in the Hong Kong's Hang Seng Index and other relevant indexes on the Group's profit before income tax for the year. The analysis is based on the assumption that the equity index had changed by 5% (2024: 5%) with all other variables held constant and all the listed equity instruments move according to the individual securities historical correlation with the index.

Hong Kong Hang Seng Index, Shenzhen Component Index, Shanghai Composite Index and Standard and Poor's 500 Index

	2025		2024	
	Impact on profit before tax HK\$'000	Impact on equity HK\$'000	Impact on profit before tax HK\$'000	Impact on equity HK\$'000
Increase/Decrease by 5%	-/+ 54,508	+/- 2,111	+/- 9,231	-/+ 844

Unlisted investment funds, unlisted equity investments, unlisted debt investment and convertible loan

The fair value of unlisted investment funds, unlisted equity investments, unlisted debt investment and convertible loan depend on the valuation of the respective investments or underlying investments. It is assumed that if the valuation had increased/decreased by 10%, profit before income tax for the year would have an estimated increase/decrease by HK\$190,347,000 (2024: HK\$292,008,000), and investment revaluation reserve in equity would have an estimated increase/decrease by HK\$Nil (2024: HK\$3,876,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Market risk (Continued)

3.1.3 Interest rate risk

The Group's exposures to the risk of changes in market interest rates relates primarily to the Group's loan and interest receivables, margin receivables, listed debt investments, unlisted notes and cash and bank balances.

As at 31 December 2025, the Group invests in fixed-income bond instruments which are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, and therefore the Group is subject to interest rate risk. Interest rate risk is the risk that the value of the Group's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed-income bond investments and higher for longer term fixed-income bond investments.

The following table illustrates the potential impact, of a parallel upward or downward shift of 50 basis points in relevant interest rates with all other variables remaining constant, on the Group's net profit and equity arising substantially from the increase/decrease in market value of debt securities:

	2025 HK\$'000	2024 HK\$'000
Impact on profit before tax	-/+2,809	-/+1,622
Impact on equity	-/+617	-/+1,214

The Group's investment in fixed-rate term loans and unlisted notes are of shorter duration and carried at amortised cost and therefore management consider they are not subject to fair value change as a result of change in reasonable possible shift of market interest rate.

Loans to margin clients at floating/variable rates (such as margin receivables) expose the Group to interest rate risk. Interest income on cash at banks and interest expense on borrowing will fluctuate at floating rates based on movement in short term bank interest rate.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") arising from the Group's variable interest rate instruments. As at 31 December 2025, if the interest rate had been 50 basis points (2024: 50 basis points) higher/lower, the Group's profit before income tax would increase/decrease by HK\$639,000 (2024: HK\$1,299,000) and would not have impact to the Group's equity (2024: HK\$Nil). The sensitivity analysis above is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2024: 50 basis points) increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk

Credit exposures arise principally from financial assets at fair value through other comprehensive income, financial assets at amortised cost, margin receivables, loan and interest receivables, deposits with brokers, bank balances and client trust bank balances with a maximum exposure equal to the carrying amounts of these financial assets in the consolidated statement of financial position.

Credit risk of the Group mainly arises from credit exposures with respect to margin financing business of the Group's securities brokerage business, investment in debt investments at fair value through other comprehensive income and the loan lending business of the Group. In addition, the Group is exposed to a concentration of credit risk on cash and investments at banks or custodians.

The Group minimises the credit risk by segregating the risk management function from the investment department. This provide a fundamental control to prevent fraud, ensure quality of works, and safeguard the Group's assets as well as integrity of books and records.

The Group manages its credit risk in the following perspectives:

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables

The Group maintains an effective credit risk management system to evaluate creditworthiness of counterparties. The following factors will be considered when determining the credit risk of loan receivables:

1. Counterparties' credit rating by reputable credit rating agencies;
2. Counterparties' investment objective, investment history, and risk appetite;
3. Counterparties' past record and defaults;
4. Counterparties' capital base, the existence and amount of guarantees, and by whom such guarantees are given;
5. Any known events which may have an adverse impact on the counterparties' financial status, potential for default or accuracy of information stored regarding the client; and
6. Where credit is extended to cover margin trading, appropriate haircuts are made to market value to establish the counterparty has adequate equity.

The Group monitors the cash flows from loan receivables to ensure that they are in accordance with mutually signed agreement and the expected timeline. In case there is delay, the Group will communicate with counterparties to identify if there is trigger event on credit risk issue.

The Group uses three categories for loans and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables which reflect their credit risk and how the ECL allowance is determined for each of those categories. Please refer to note 2.9 for definition of these three categories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables (Continued)

Margin Financing Business

Margin clients of the Group are required to pledge their security investments to the Group for the facilities for securities trading. The amount of facilities granted to them is determined by the discounted values of the shares and is monitored on an ongoing basis. The collateral for covering the credit risk exposure in case of default is subject to mark-to-market monitoring on a daily basis.

Default, margin call and forced liquidation procedures are in place for margin clients. When a customer's margin loan balance exceeds the credit limit granted, the Group will generate an alert to help monitor its status and decide whether any additional collateral is required. The Group will take into consideration of various factors such as customers' background and the interest rate of loan, in particular, the loan-to-value ratio in excess of certain percentage in making requests for additional collateral.

No aging analysis is disclosed as, in the opinion of the Directors, it does not give additional view of the nature of margin finance business. The amount of credit facilities granted to margin clients is determined by the discounted market value of collateral accepted by the Group.

Loan Lending Business and Financial Assets at Amortised Cost

The Group assesses credit risk of loans to corporate clients and note receivables issued by the issuer by performing credit assessments, which are also subject to regular review and monitoring.

For the loans or note receivables guaranteed by a third party, the Group will assess the guarantor's financial condition, credit history and ability to meet obligations.

Risk Management Department provides regular credit management information reports and ad hoc reports to the Investment Committee to facilitate their continuous monitoring of credit risk. In addition, the Group identifies credit concentration risk by industry, geography, client and counterparty. The Group monitors changes to counterparty risk, quality of the credit portfolio and concentration risk, and reports regularly to the Group's Management. The Group adopts loan grading criteria which divides credit assets into three-stage ECL model under the requirement of HKFRS 9.

Debt Investments at Fair Value Through Other Comprehensive Income and Other Interest Receivables

Debt securities are classified as financial assets at fair value through other comprehensive income and at fair value through profit or loss. Other interest receivables mainly arise from the debt securities. The debt securities are mainly listed in The Hong Kong Stock Exchange and overseas exchanges. The Risk Management Department of the Group assesses the financial strengths and performance of the issuers to ensure the issuers satisfy the repayment of principal and interest as they fall due. The Investment Committee limits the size of the debt portfolio and limits the exposure to a single industry and issuer in order to control the credit risk. The Risk Management Department also closely monitors the changes in the credit ratings of the issuers and follows the market news for taking immediate actions if there is an indication of a deterioration of the repayment ability of the issuers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Other Trade Receivables

For trade receivables arising from underwriting business, due diligence on client's business and repayment ability will be conducted before granting of credit. The Group will closely update client's business change through frequent contact with client. Exit strategies are set in place before granting of each credit.

As at 31 December 2025, trade receivables arising from asset management business including management fee and performance fee receivables from one (2024: one) major investment fund and managed account amounted to HK\$5,589,000 (2024: HK\$8,948,000) which accounted for 68% (2024: 82%) of the total outstanding balance. Please refer to note 23 below for additional disclosures on credit risk.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for other trade receivables arising from underwriting and asset management businesses and the identified impairment loss amounted to HK\$2,800,000 (2024: HK\$2,800,000) for credit-impaired balance.

Cash and Cash Equivalents

Cash and cash equivalents are placed in various authorised institutions and the Directors consider that the credit risk arising from cash and cash equivalents is minimal.

Three-Stage ECL Model under the requirement of HKFRS 9

The Group has five types of financial assets that are subject to the ECL model under HKFRS 9:

- Loan and interest receivables
- Margin receivables
- Financial assets at amortised cost
- Debt investments at fair value through other comprehensive income
- Other interest receivables

While cash and cash equivalents and other assets are subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Determining Appropriate Models and Assumption of the Measurement of ECL

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since origination or whether an asset is considered to be credit impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). PD, EAD and LGD are defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

The ECL is determined by projecting the PD, LGD and EAD for 12-month or lifetime and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates the ECL for 12-month or lifetime, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the effective interest rate or an approximation thereof.

PD is driven by internal credit risk rating, observed historical data and macroeconomic variables. The relationship between PD and macroeconomic variables is developed by the statistical regression model and the lifetime PD is derived by input of forward-looking macroeconomic variables.

The 12-month and lifetime EADs are determined based on the expected payment profile and portfolios, which varies by product type.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Expected Credit Loss Methodology

The estimated loss rates for each class of financial assets are estimated based on historical observed default rates over the expected life of the respective class of financial assets and are adjusted for forward-looking information that is available without undue cost or effort, including macroeconomic data such as GDP growth, unemployment rate and inflation rate.

The Group uses three-stage ECL model under the requirement of HKFRS 9 to reflect the credit risk and how the ECL is determined for each of those stage. Please refer to note 2.9 for definition of these three stages.

ECL is measured at an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The Group adopts three economic scenarios in the ECL measurement to meet the requirements of HKFRS 9. The "Baseline" scenario represents a most likely outcome and the other two scenarios, referred to as "Good" scenario and "Bad" scenario, represent less likely outcomes which are more optimistic or more pessimistic compared to Baseline scenario.

The probability weight assigned for each scenario reflects the observed historical trend for the economic environment, which implements the Group's prudent and consistent credit strategy of ensuring the adequacy of impairment allowance.

The Group updates the macroeconomic factors used in the ECL model and the probability weight of economic scenarios on a semi-annual basis according to the latest available forecast/historical data issued by authoritative institutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables

The gross carrying amount of loan and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables and thus the maximum exposure to loss, are as follows:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Loan and interest receivables		
Stage 1 — Unimpaired and without significant increase in credit risk	100,391	9,986
Stage 2 — Significant increase in credit risk	—	—
Stage 3 — Credit-impaired	382,263	371,733
Total gross loan and interest receivables	482,654	381,719
Less: ECL allowances	(266,288)	(263,544)
Loan and interest receivables, net of ECL	216,366	118,175
Margin receivables		
Stage 1 — Unimpaired and without significant increase in credit risk	—	1,867
Stage 2 — Significant increase in credit risk	—	—
Stage 3 — Credit-impaired	75,991	97,587
Total gross margin receivables	75,991	99,454
Less: ECL allowances	(75,991)	(97,587)
Margin receivables, net of ECL	—	1,867
Financial assets at amortised cost		
Stage 1 — Unimpaired and without significant increase in credit risk	76,288	23,441
Stage 2 — Significant increase in credit risk	—	—
Stage 3 — Credit-impaired	139,770	139,419
Total gross financial assets at amortised cost	216,058	162,860
Less: ECL allowances	(138,427)	(136,853)
Financial assets at amortised cost, net of ECL	77,631	26,007
Debt investments at fair value through other comprehensive income		
Stage 1 — Unimpaired and without significant increase in credit risk	113,299	217,876
Stage 2 — Significant increase in credit risk	—	—
Stage 3 — Credit-impaired	8,126	20,523
Total debt investments at fair value through other comprehensive income	121,425	238,399
ECL allowances for debt investments at fair value through other comprehensive income	(330,575)	(553,764)
Other interest receivables		
Stage 1 — Unimpaired and without significant increase in credit risk	8,090	5,539
Stage 2 — Significant increase in credit risk	—	—
Stage 3 — Credit-impaired	9,691	21,467
Total gross other interest receivables	17,781	27,006
Less: ECL allowances	(9,629)	(21,141)
Other interest receivables, net of ECL	8,152	5,865

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables (Continued)

The following table reconcile the movement in ECL allowances between the beginning and the end of the financial years:

As at 31 December 2025

	Stage 1 12-month ECL HK\$'000	Stage 2 Lifetime ECL HK\$'000	Stage 3 Lifetime ECL HK\$'000	Total HK\$'000
Loan and interest receivables				
ECL allowances as at 1 January 2025	47	–	263,497	263,544
Transfer from Stage 1 to Stage 3	(47)	–	47	–
Changes in inputs or assumptions	–	–	2,654	2,654
Net impact on ECL allowances of new loan	90	–	–	90
ECL allowances as at 31 December 2025	90	–	266,198	266,288
Margin receivables				
ECL allowances as at 1 January 2025	–	–	97,587	97,587
Changes in inputs or assumptions	–	–	(21,596)	(21,596)
ECL allowances as at 31 December 2025	–	–	75,991	75,991
Financial assets at amortised cost				
ECL allowances as at 1 January 2025	–	–	136,853	136,853
Changes in inputs or assumptions	–	–	1,273	1,273
Net impact on ECL allowances of new financial assets purchased	301	–	–	301
ECL allowances as at 31 December 2025	301	–	138,126	138,427
Debt instruments at fair value through other comprehensive income				
ECL allowances as at 1 January 2025	55	–	553,709	553,764
Changes in inputs or assumptions	–	–	1,571	1,571
ECL allowances derecognised during the year	(55)	–	–	(55)
Net impact on ECL allowances of new financial assets purchased	33	–	5,916	5,949
ECL allowances of financial assets written off	–	–	(230,654)	(230,654)
ECL allowances as at 31 December 2025	33	–	330,542	330,575
Other interest receivables				
ECL allowances as at 1 January 2025	1	–	21,140	21,141
Changes in inputs or assumptions	–	–	68	68
ECL allowances derecognised during the year	(1)	–	–	(1)
Net impact on ECL allowances of other interest receivables accrued	1	–	–	1
ECL allowances of financial assets written off	–	–	(11,580)	(11,580)
ECL allowances as at 31 December 2025	1	–	9,628	9,629

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables (Continued)

As at 31 December 2024

	Stage 1 12-month ECL HK\$'000	Stage 2 Lifetime ECL HK\$'000	Stage 3 Lifetime ECL HK\$'000	Total HK\$'000
Loan and interest receivables				
ECL allowances as at 1 January 2024	120	–	263,190	263,310
Changes in inputs or assumptions	42	–	307	349
ECL allowances derecognised during the year	(115)	–	–	(115)
ECL allowances as at 31 December 2024	47	–	263,497	263,544
Margin receivables				
ECL allowances as at 1 January 2024	3	–	63,563	63,566
Transfer from Stage 1 to Stage 3	(3)	–	3	–
Changes in inputs or assumptions	–	–	34,021	34,021
ECL allowances as at 31 December 2024	–	–	97,587	97,587
Financial assets at amortised cost				
ECL allowances as at 1 January 2024	–	–	137,966	137,966
Changes in inputs or assumptions	–	–	(1,113)	(1,113)
ECL allowances as at 31 December 2024	–	–	136,853	136,853
Debt instruments at fair value through other comprehensive income				
ECL allowances as at 1 January 2024	254	–	592,496	592,750
Changes in inputs or assumptions	–	–	(852)	(852)
Net impact on ECL allowances of new financial assets purchased	56	–	–	56
ECL allowances of financial assets written off	(255)	–	(37,935)	(38,190)
ECL allowances as at 31 December 2024	55	–	553,709	553,764
Other interest receivables				
ECL allowances as at 1 January 2024	7	689	24,710	25,406
Changes in inputs or assumptions	–	–	9,878	9,878
ECL allowances derecognised during the year	(7)	(689)	(2,350)	(3,046)
Net impact on ECL allowances of other interest receivables accrued	1	–	–	1
ECL allowances of financial assets written off	–	–	(11,098)	(11,098)
ECL allowances as at 31 December 2024	1	–	21,140	21,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables (Continued)

Based on HKFRS 9 ECL assessment on margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables, the Group recognised a reversal of ECL allowances of approximately HK\$9,369,000 in profit or loss for the year ended 31 December 2025 (2024: provision for ECL allowances of approximately HK\$39,179,000).

The decrease in ECL allowances on margin loans was due to decrease in shortfall portion of margin loans which are not fully secured amounted to approximately HK\$75,991,000 (2024: HK\$97,587,000).

Cash at Banks or Custodians

The Group's bank balances are deposited in reputable and large commercial banks. For the client trust bank balances which are held in segregated accounts, they are deposited in authorised financial institutions in Hong Kong. The credit risk of bank balances and client segregated bank balances are considered to be low. The Group has exposure to the concentration of credit risk from one bank of approximately HK\$191,787,000 (2024: HK\$286,436,000) with a credit rating of A- by Fitch (2024: A- by Fitch).

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

Internal credit rating	Description	Recognition of ECL
Non-watch list	The counterparty has a low risk of default and does not have any past-due amounts or has past due amounts but the payment has not been past due for 30 days (margin financing: no shortfall)	12-month ECL
Watch list	There have been significant increases in credit risk since initial recognition through information developed internally or external resources or there is evidence indicating the asset is credit-impaired	Lifetime ECL
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

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

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	2025		2024	
					Gross carrying amount HK\$'000		Gross carrying amount HK\$'000	
Margin receivables	23	N/A N/A	Non-watch list Watch list	12- month ECL Lifetime ECL (credit-impaired)		–		1,867
						75,991		97,587
						75,991		99,454
Loan and interest receivables	25	N/A N/A	Non-watch list Watch list	12- month ECL Lifetime ECL (credit-impaired)		100,391		9,986
						382,263		371,733
						482,654		381,719
Financial assets at amortised cost	22	N/A N/A	Non-watch list Watch list	12- month ECL Lifetime ECL (credit-impaired)		76,288		23,441
						139,770		139,419
						216,058		162,860
Debt investments at fair value through other comprehensive income (Note 1)	21	"B or above (S&P)/ B2 or above (Moody's)" "B- or below (S&P)/B3 or below (Moody's)"	Non-watch list	12- month ECL		113,299		217,876
					Watch list	Lifetime ECL (credit-impaired)		8,126
				121,425				238,399
Other interest receivables		"B or above (S&P)/B2 or above (Moody's)" Unrated Unrated	Non-watch list	12- month ECL		6,241		4,897
					Non-watch list Watch list	12- month ECL Lifetime ECL (credit-impaired)		1,849
				9,691				21,467
					17,781		27,006	
Cash and cash equivalents (Note 2)	26	"BB or above (S&P)/Ba2 or above (Moody's)/BB or above (Fitch)"	Non-watch list	12- month ECL		302,123		419,733
						302,123		419,733
Deposits with brokers (Note 2)	26	"BB or above (S&P)/Ba2 or above (Moody's)" Not rated	Non-watch list	12- month ECL		47,540		41,427
					Non-watch list	12- month ECL		32,965
				80,505				42,537
Other trade receivables	23	N/A N/A	Non-watch list Watch list	12- month ECL Lifetime ECL (credit-impaired)		8,246		10,907
						2,800		2,800
						11,046		13,707
Other receivables and deposits	N/A N/A	N/A N/A	Non-watch list Watch list	12- month ECL Lifetime ECL (credit-impaired)		11,123		7,415
						376		–
						11,499		7,415

Note 1: Debt investments at fair value through other comprehensive income are stated at carrying amount measured at fair value.

Note 2: The Group considers the impacts of the ECL allowances on these financial assets are insignificant and no reconciliation of gross carrying amount and impairment allowance have been prepared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk

Interest-bearing borrowings are the general sources of funds to finance the operations of the Group. Certain external financing of the Group are subject to floating rates and are renewable upon maturity. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations and compliance with the statutory requirements. The Group aims to maintain flexibility in funding by keeping committed credit lines available and sufficient bank deposits to meet its short term cash requirements. The Group's liquidity risk management includes making available standby banking facilities and diversifying the funding sources.

Certain subsidiaries of the Group's operations are subject to various statutory liquidity requirements as prescribed by the Hong Kong's Securities and Futures Commission (the "SFC") in accordance with the Hong Kong's Securities and Futures Ordinance (the "HKSF"). The Group has put in place a monitoring system to ensure that these subsidiaries maintain adequate liquid capital to fund their business commitments and to comply with relevant liquid capital requirements under the HKSF. The liquidity risk of the Group is managed by regularly monitoring current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and current working capital to meet its liquidity requirements in the short and longer term. The Group holds sufficient cash and deposits on demand to repay its liabilities.

The table below presents the cash flows payable by the Group under financial liabilities by remaining contractual maturities as at 31 December 2025 and 2024. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2025

	On demand or less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Lease liabilities	2,575	2,575	4,521	–	9,671
Accruals and other payables	120,360	–	–	–	120,360
	122,935	2,575	4,521	–	130,031

As at 31 December 2024

	On demand or less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Financial liabilities at fair value through profit or loss	9,892	–	–	–	9,892
Lease liabilities	2,345	2,575	7,096	–	12,016
Accruals and other payables	122,448	–	–	–	122,448
	134,685	2,575	7,096	–	144,356

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.4 Capital management

The Group's objectives when managing capital are:

- (a) to comply with the liquid capital requirements under the SFC in Hong Kong;
- (b) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- (c) to support the Group's stability and growth; and
- (d) to maintain a strong capital base to support the development of its business.

Consistent within others in the industry, the Group monitors capital on the basis of gearing ratio which is calculated as total debt (including margin payables and loan and interest payables) divided by total equity.

The Group's gearing ratio at the end of the reporting period is shown below:

	2025 HK\$'000	2024 HK\$'000
Total debt	–	–
Total equity	4,508,699	4,385,038
Gearing ratio	0%	0%

Two subsidiaries (2024: Two) of the Group (the "Licensed Subsidiaries") are registered with the SFC to conduct respective regulated activities in Hong Kong. The Licensed Subsidiaries are subject to liquid capital requirements under the Securities and Futures (Financial Resources) Rules (the "FRR") adopted by the SFC. Under the FRR, the Licensed Subsidiaries must maintain its liquid capital (assets and liabilities adjusted as determined by the FRR) in excess of required liquid capital.

All licensed corporations within the Group complied with their required liquid capital during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation

The following table represents the carrying value of financial instruments measured at fair value at the end of reporting period across the three levels of the fair value hierarchy defined in HKFRS 13 Fair Value Measurement, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1 (highest level):	fair values measured using quoted prices (unadjusted) in active markets.
Level 2:	fair values measured using quoted price in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.
Level 3 (lowest level):	fair values measured using valuation techniques in which any significant input is not based on observable market data.

Valuation Process

The Group engages external valuation firm to perform the valuation of investment projects for financial reporting purpose, including Level 3 fair values. The external valuation firm reports directly to the Head of Finance of the Group and Head of Finance reports to the Audit Committee ("AC"). Discussions of valuation processes and results are held between the Head of Finance, AC and external valuation firm at least once every six months, in line with the Group's half-yearly reporting periods.

The main Level 3 inputs used by the Group are derived and evaluated as follows.

Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific of the asset.

Earnings/Sales growth factors for unlisted equity securities are estimated based on market information for similar types of companies.

Contingent consideration — expected cash flows are estimated based on the terms of the sale contract and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in Level 2 and Level 3 fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the Head of Finance, AC and the external valuation firm. As part of this discussion the Head of Finance presents and explains the reason for the fair value movements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

The following tables present the Group's financial assets and liabilities that are measured at fair value as at 31 December 2025 and 2024.

As at 31 December 2025

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss				
— Unlisted equity investments	—	—	1,498,230	1,498,230
— Unlisted investment funds	—	—	384,971	384,971
— Unlisted debt investment	—	—	3,020	3,020
— Listed equity investments	1,235,603	401,606	—	1,637,209
— Listed debt investments	—	160,201	—	160,201
— Convertible loan	—	—	—	—
Total	1,235,603	561,807	1,886,221	3,683,631
Financial assets at fair value through other comprehensive income				
— Unlisted investment funds	—	—	—	—
— Listed equity investments	66,167	1,919	—	68,086
— Listed debt investments	—	121,425	—	121,425
Total	66,167	123,344	—	189,511
Total assets	1,301,770	685,151	1,886,221	3,873,142
Liabilities				
Financial liabilities at fair value through profit or loss				
— Other financial liabilities	—	—	—	—
Total liabilities	—	—	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

As at 31 December 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss				
— Unlisted equity investments	—	—	2,382,416	2,382,416
— Unlisted investment funds	—	—	450,460	450,460
— Unlisted debt investment	—	—	23,200	23,200
— Listed equity investments	334,696	316,120	—	650,816
— Listed debt investments	—	8,255	—	8,255
— Convertible loan	—	—	—	—
Total	334,696	324,375	2,856,076	3,515,147
Financial assets at fair value through other comprehensive income				
— Unlisted investment funds	—	—	38,761	38,761
— Listed equity investments	61,988	4,306	—	66,294
— Listed debt investments	—	238,399	—	238,399
Total	61,988	242,705	38,761	343,454
Total assets	396,684	567,080	2,894,837	3,858,601
Liabilities				
Financial liabilities at fair value through profit or loss				
— Other financial liabilities	—	—	9,892	9,892
Total liabilities	—	—	9,892	9,892

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily listed equity investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

Unlisted investment funds classified as Level 3 is principally due to their underlying investments are unlisted equity or unlisted debt investments.

The carrying amounts of the group's financial instruments carried at amortised cost approximate its fair values as at 31 December 2025 and 2024.

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2 fair value measurements (2024: HK\$Nil). The following table presents the changes in Level 3 items for the years ended 31 December 2025 and 2024 for recurring fair value measurements:

As at 31 December 2025

	Unlisted equity investments HK\$'000	Unlisted investment funds HK\$'000	Unlisted debt investment HK\$'000	Convertible loan HK\$'000	Other financial liabilities HK\$'000	Total HK\$'000
Assets/Liabilities						
Opening balance as at						
beginning of the year	2,382,416	489,221	23,200	–	(9,892)	2,884,945
Additions	522,100	47,791	–	–	(3,690)	566,201
Transfer to level 1	(1,589,904)	–	–	–	–	(1,589,904)
Disposals/Redemption	(24,523)	(94,812)	(7,324)	–	–	(126,659)
Converted into financial assets at amortised cost	(74,284)	–	–	–	–	(74,284)
Repayment	–	–	–	–	12,338	12,338
Capital distribution	–	(55,387)	–	–	–	(55,387)
Currency translation difference	(398)	3,611	–	–	–	3,213
Net gain/(loss) recognised in profit or loss*	282,823	(3,333)	(12,856)	–	1,244	267,878
Net loss recognised in other comprehensive income	–	(2,120)	–	–	–	(2,120)
Closing balance as at						
the end of the year	1,498,230	384,971	3,020	–	–	1,886,221
* includes unrealised gain/(loss) recognised in profit or loss attributable to balances held at the end of the reporting period	293,855	(3,185)	(12,846)	–	–	277,824

Note:

The transfer from Level 3 to Level 1 fair value measurements for the year ended 31 December 2025 was due to certain unlisted equity investments have become listed during the year and quoted market prices are available. The Group's policy is to recognise transfers into or out of Level 3 as at the date of the event or change in circumstances that caused the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

As at 31 December 2024

	Unlisted equity investments HK\$'000	Unlisted investment funds HK\$'000	Unlisted debt investment HK\$'000	Convertible loan HK\$'000	Other financial liabilities HK\$'000	Total HK\$'000
Assets/Liabilities						
Opening balance as at						
beginning of the year	1,592,505	691,147	57,603	12,999	–	2,354,254
Additions	339,172	109,070	–	–	(2,480)	445,762
Transfer from level 2	–	–	–	–	(6,925)	(6,925)
Disposals/Redemption	–	(195,366)	(14,281)	–	–	(209,647)
Repayment	–	–	–	–	7,614	7,614
Capital distribution	–	(90,971)	–	–	–	(90,971)
Currency translation difference	(6,993)	(10,030)	–	(901)	–	(17,924)
Net gain/(loss) recognised in profit or loss*	457,732	(9,099)	(20,122)	(12,098)	(8,101)	408,312
Net loss recognised in other comprehensive income	–	(5,530)	–	–	–	(5,530)
Closing balance as at						
the end of the year	2,382,416	489,221	23,200	–	(9,892)	2,884,945
* includes unrealised gain/(loss) recognised in profit or loss attributable to balances held at the end of the reporting period	457,732	(2,773)	(20,110)	(12,098)	(5,478)	417,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

Below is the table setting out quantitative information about fair value measurements using significant unobservable inputs (Level 3).

Equity Investments	Fair value as at 31 December 2025 HK\$000	Valuation techniques	Unobservable input	Range	Sensitivity of fair value to changes in unobservable inputs/ Relationship of unobservable inputs to fair value
Unlisted equity investments	623,127	Market approach	Price to book ratio	1.86x	10% increase or decrease in price to book ratio, the fair value would be increased by HK\$47.6 million or decreased by HK\$46.2 million, respectively
	121,398	Market approach	Enterprise value to earnings ratio	16.3x	The higher the ratio, the higher the fair value
	80,154	Market approach	Price to book ratio	0.61x– 1.35x	The higher the ratio, the higher the fair value
			Price to sales ratio	6.55x	The higher the ratio, the higher the fair value
	23,411	Market approach	Volatility of comparable companies	47.71%	The higher the volatility, the higher the fair value
	16,755	Market approach	Volatility of comparable companies	49.94%	The higher the volatility, the lower the fair value
	9,285	Market approach	Volatility of comparable companies	43.35%	The higher the volatility, the lower the fair value
		– Adjusted balance	n/a	n/a	n/a
	624,100	Recent transaction	n/a	n/a	n/a
Unlisted investment funds	384,971	Net asset value	n/a	n/a	n/a
		– Adjusted net asset value (note)	n/a	n/a	n/a
Unlisted debt investment	3,020	Adjusted balance	n/a	n/a	n/a
Convertible loan	–	Adjusted balance	n/a	n/a	n/a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.5 Fair value estimation (Continued)

Equity Investments	Fair value as at 31 December 2024 HK\$000	Valuation techniques	Unobservable input	Range	Sensitivity of fair value to changes in unobservable inputs/ Relationship of unobservable inputs to fair value
Unlisted equity investments	1,589,904	Market approach	Price to sales ratio	5.64x	10% increase or decrease in the price to sales ratio, the fair value would be increased by HK\$158 million or decreased by HK\$159 million, respectively
			Discount rate for lack of marketability	10.46%	0.5% increase or decrease in discount rate for lack of marketability, the fair value would be decreased by HK\$8.8 million or increased by HK\$8.8 million, respectively
	399,245	Market approach for underlying equity	Price to book ratio	1.99x	10% increase or decrease in price to book ratio, the fair value would be increased by HK\$25.3 million or decreased by HK\$4.8 million, respectively
	24,963	Market approach	Volatility of comparable companies	58.36%	The higher the volatility, the lower the fair value
	22,968	Market approach	Volatility of comparable companies	43.94%	The higher the volatility, the lower the fair value
	12,283	Market approach	Volatility of comparable companies	54.75%	The higher the volatility, the higher the fair value
Unlisted investment funds	–	Adjusted balance	n/a	n/a	n/a
	333,053	Recent transaction	n/a	n/a	n/a
	489,221	Net asset value	n/a	n/a	n/a
	–	Adjusted net asset value (note)	n/a	n/a	n/a
Unlisted debt investment	23,200	Income approach	Discount rate	8%	The higher the discount rate, the lower the fair value
Convertible loan	–	Adjusted balance	n/a	n/a	n/a

Note: Adjusted net asset value represents adjustments on the net asset value of the fund by making impairment on certain investments of the fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.6 Offsetting financial assets and financial liabilities

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. According to the terms of each agreement, an event of default includes failure by a party to make payment when due; failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within periods of 30 to 60 days after notice of such failure is given to the party; or bankruptcy.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC") and Clearing Participant of China Securities Depository, Clearing Corporation Limited ("CSDC") and brokers, the Group has a legally enforceable right to set off the money obligation receivable and payable with HKSCC, CSDC and brokers on the same settlement date and the Group intends to set off on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payable with brokerage clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Except for balances which are due to be settled on the same date which is being offset, amounts due from/to HKSCC, CSDC, brokers and brokerage clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group, deposits placed with HKSCC, CSDC and brokers do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.6 Offsetting financial assets and financial liabilities (Continued)

As at 31 December 2025

	Gross amount of recognised financial assets/ (liabilities) HK\$'000	Gross amount of recognised financial (assets)/ liabilities offset in the financial statements HK\$'000	Net amounts of financial assets/ (liabilities) reflected in the financial statements HK\$'000	Related amounts not set off in the statement of financial position		Net HK\$'000
				Amounts subject to master netting arrangements HK\$'000	Collateral received HK\$'000	
Financial assets						
Accounts receivable arising from brokerage — the Stock Exchange and other clearing houses	-	-	-	-	-	-
Deposit placed with clearing houses	-	-	-	-	-	-
Margin receivables	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities						
Accounts payable arising from brokerage — the Stock Exchange and other clearing houses	-	-	-	-	-	-
Total	-	-	-	-	-	-

As at 31 December 2024

	Gross amount of recognised financial assets/ (liabilities) HK\$'000	Gross amount of recognised financial (assets)/ liabilities offset in the financial statements HK\$'000	Net amounts of financial assets/ (liabilities) reflected in the financial statements HK\$'000	Related amounts not set off in the statement of financial position		Net HK\$'000
				Amounts subject to master netting arrangements HK\$'000	Collateral received HK\$'000	
Financial assets						
Accounts receivable arising from brokerage — the Stock Exchange and other clearing houses	348	-	348	-	-	348
Deposit placed with clearing houses	2,077	-	2,077	-	-	2,077
Margin receivables	1,867	-	1,867	-	(1,867)	-
Total	4,292	-	4,292	-	(1,867)	2,425
Financial liabilities						
Accounts payable arising from brokerage — the Stock Exchange and other clearing houses	-	-	-	-	-	-
Total	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income which were categorised as Level 3

The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The estimation of fair value of unlisted equity instruments are determined in accordance with generally accepted pricing models, which includes certain assumptions not supported by observable market prices or rates. Changes to the assumptions or inputs used in deriving the valuation would have a significant impact to the fair values of these financial assets and liabilities in the consolidated statement of financial position. The carrying amounts of such unlisted investments in financial assets and liabilities classified as Level 3 as at 31 December 2025 were approximately HK\$1,886,221,000 and HK\$Nil respectively (2024: HK\$2,894,837,000 and HK\$9,892,000). The values assigned to the financial assets and liabilities are based upon available information and do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstance and cannot be reasonably determined until the individual position is realised. The directors believe that the chosen valuation techniques and assumptions are appropriate in determining the fair values of financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.1 Critical accounting estimates and assumptions *(Continued)*

ECL allowances on loan and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables

The Group reviews its loan receivables from loan lending business, margin receivables from margin financing business and its investments in bonds/notes classified as financial assets at amortised cost and financial assets at fair value through other comprehensive income and other interest receivables to assess ECL allowance on each individual loan and investment in bond/note at least on a quarterly basis. The internal credit risk on individual loan receivable plays a critical factor on the ECL impairment model. Risk Management Department maintains a watch list for risk monitoring on all loans receivables and investments in bonds/notes classified as financial assets at amortised cost and financial assets at fair value through other comprehensive income to determine the internal credit category of each individual loan receivable and investment in bond/note classified as financial assets at amortised cost and financial assets at fair value through other comprehensive income and other interest receivables. This evidence may include overdue days based on contract note and other observable data indicating that there has been an adverse change in the credit quality of the borrowers and issuers in a group.

Relevant information with regard to the exposure to credit risk and expected credit losses are set out in note 3.2 to the consolidated financial statements.

5. SEGMENT INFORMATION

Chief operating decision maker ("CODM") has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The Group's operating segments are as follows:

- the "asset management" segment representing provision of asset management services and investment advisory services to clients;
- the "securities" segment representing provision of securities brokerage services, securities margin financing services to clients, underwriting services to corporate clients for their fund raising activities in equity and debt capital markets, financial advisory and financial arrangement services to clients; and
- the "investment holding" segment representing direct investments in investment funds, listed and unlisted debts and equities, alternative investments (such as real estate investments through investment funds) and private equities, and provision of loan financing services.

Each of the Group's operating segments represents a strategic business unit that is managed by different business unit leaders. Information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. SEGMENT INFORMATION (Continued)

For the year ended 31 December 2025

	Reportable segment				Unallocated amount HK\$'000 (Note i)	Total HK\$'000
	Asset management HK\$'000	Securities HK\$'000	Investment holding HK\$'000	Total HK\$'000		
Interest income	-	5,965	38,606	44,571	6,430	51,001
Commission and fee income	10,890	1,103	5,277	17,270	-	17,270
Investment income	-	-	45,616	45,616	-	45,616
Revenue from external customers	10,890	7,068	89,499	107,457	6,430	113,887
Net gain on financial assets/liabilities	-	-	56,277	56,277	-	56,277
	10,890	7,068	145,776	163,734	6,430	170,164
Segment profit/(loss) before income tax	4,795	22,992	130,141	157,928	(53,696)	104,232
Other segment information:						
Depreciation of property, plant and equipment	-	-	-	-	(1,896)	(1,896)
Depreciation of right-of-use assets	-	-	-	-	(2,163)	(2,163)
Reversal of/(provision for) ECL allowances	-	21,220	(11,851)	9,369	-	9,369
Staff costs and related expenses	(4,626)	(3,168)	(6,914)	(14,708)	(42,667)	(57,375)
Share of results of associates	-	-	18,623	18,623	-	18,623

For the year ended 31 December 2024

	Reportable segment				Unallocated amount HK\$'000 (Note i)	Total HK\$'000
	Asset management HK\$'000	Securities HK\$'000	Investment holding HK\$'000	Total HK\$'000		
Interest income	-	8,862	34,883	43,745	18,655	62,400
Commission and fee income	14,991	305	4,361	19,657	1,379	21,036
Investment income	-	-	25,956	25,956	-	25,956
Revenue from external customers	14,991	9,167	65,200	89,358	20,034	109,392
Net gain on financial assets/liabilities	-	-	436,481	436,481	-	436,481
	14,991	9,167	501,681	525,839	20,034	545,873
Segment profit/(loss) before income tax	3,656	(31,350)	456,378	428,684	(155,057)	273,627
Other segment information:						
Depreciation of property, plant and equipment	-	(1)	(4)	(5)	(1,248)	(1,253)
Depreciation of right-of-use assets	-	-	-	-	(2,985)	(2,985)
Provision for ECL allowances	-	(34,021)	(5,158)	(39,179)	-	(39,179)
Staff costs and related expenses	(4,704)	(3,930)	(11,853)	(20,487)	(137,377)	(157,864)
Share of results of associates	-	-	(9,167)	(9,167)	-	(9,167)

Note i: The "unallocated amount" primarily included unallocated interest income, service fee income and expenditures for head office operations as well as interest expenses for general working capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. SEGMENT INFORMATION (Continued)

Breakdown of the revenue from external customers and net gain/(loss) on financial assets and liabilities by geographical location is as follows:

For the year ended 31 December 2025

	Hong Kong HK\$'000	The PRC HK\$'000	Japan HK\$'000	Canada HK\$'000	Total HK\$'000
Revenue from external customers	99,233	1,656	12,998	–	113,887
Net gain/(loss) on financial assets/liabilities	58,807	7,835	(10,365)	–	56,277
	158,040	9,491	2,633	–	170,164

For the year ended 31 December 2024

	Hong Kong HK\$'000	The PRC HK\$'000	Japan HK\$'000	Canada HK\$'000	Total HK\$'000
Revenue from external customers	92,851	1,670	12,860	2,011	109,392
Net gain/(loss) on financial assets/liabilities	453,597	5,293	(22,409)	–	436,481
	546,448	6,963	(9,549)	2,011	545,873

Breakdown of the total non-current assets other than financial instruments and deferred tax assets by location of the assets is shown in the following:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	30,974	39,914
The PRC	76,270	52,668
Canada	–	40
	107,244	92,622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. REVENUE

	2025 HK\$'000	2024 HK\$'000
<i>Interest income:</i>		
Interest income from loan lending business (note i)	4,871	14,013
Interest income from margin financing business (note i)	5,965	8,862
Interest income from debt instruments at amortised cost (note i)	1,085	460
Interest income from debt instruments at fair value through other comprehensive income (note i)	8,860	10,954
Interest income from financial assets at fair value through profit or loss	22,863	9,259
Other interest income	7,357	18,852
	51,001	62,400
<i>Commission and fee income (note ii):</i>		
Advisory fee income	8,334	9,120
Commission income from securities brokerage	132	1,534
Loan arrangement fee income	2,493	–
Fee income received from asset management	6,311	10,232
Underwriting fee income	–	150
	17,270	21,036
<i>Investment income:</i>		
Dividend income	45,616	25,956
	45,616	25,956
	113,887	109,392

Note i: Total interest income calculated using effective interest method from loan lending business, margin financing business, debt instruments at amortised cost and debt instruments at fair value through other comprehensive income amounted to approximately HK\$20,781,000 (2024: HK\$34,289,000).

Note ii: Commission and fee income is the only revenue arising from HKFRS 15, while interest income and investment income are under the scope of HKFRS 9. Included in revenue arising from contract with customers recognised at a point of time and over time were revenue of approximately HK\$3,842,000 (2024: HK\$3,595,000) and HK\$13,428,000 (2024: HK\$17,441,000) respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. NET GAIN ON FINANCIAL ASSETS/LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Net gain on financial assets/liabilities at fair value through profit or loss	54,483	441,799
Net gain/(loss) on disposal of financial assets at fair value through other comprehensive income	1,794	(5,318)
	56,277	436,481

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 HK\$'000	2024 HK\$'000
Finance costs on repurchase agreements	–	608
Finance costs on lease liabilities	410	92
Other finance costs	2	–
	412	700

9. PROFIT BEFORE INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Profit before income tax has been arrived at after charging/(crediting):		
Auditors' remuneration		
— current year	3,150	3,150
— underprovision in prior year	–	250
Short-term leases expenses	544	5,869
Gain on disposal of property, plant and equipment	–	(277)
Loss/(gain) on disposal of subsidiaries	1,796	(251)
Write-off of property, plant and equipment	–	2
Provision for/(reversal of) ECL allowances		
— loan and interest receivables	2,744	234
— margin receivables	(21,596)	34,021
— financial assets at amortised cost	1,574	(1,113)
— financial assets at fair value through other comprehensive income	7,465	(796)
— other interest receivables	68	6,833
— other receivables	376	–
	(9,369)	39,179
Foreign exchange (gain)/loss, net	(3,030)	8,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year and taxation on profits assessable elsewhere have been calculated at the rates of income tax prevailing in the countries in which the Group operates respectively.

The PRC Enterprise Income Tax rate is 25% (2024: 25%).

	2025 HK\$'000	2024 HK\$'000
Hong Kong Profits Tax		
— charge for the year	—	61,939
— overprovision for prior year	(44,854)	(138)
PRC Enterprise Income Tax		
— charge for the year	2	431
Overseas income tax		
— charge for the year	48	2,072
— (over)/underprovision for prior year	(1,045)	117
Deferred tax		
— charge/(credit) for the year	25,729	(14,778)
— underprovision for prior year	529	788
Income tax (credit)/expense	(19,591)	50,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INCOME TAX (Continued)

The income tax for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	104,232	273,627
Income tax at income tax rate applicable to assessable profit of the operation in different jurisdictions	15,363	43,956
Tax effect of expenses not deductible for tax purpose	12,303	35,804
Tax effect of income not taxable for tax purpose	(23,153)	(35,319)
Tax effect of unused tax losses not recognised	8,172	29,763
Tax effect of utilisation of tax losses previously not recognised	(26,662)	(18,907)
Recognition of previously unrecognised tax losses	(5,136)	(5,243)
Underprovision for prior year	(516)	767
Others	38	(390)
Income tax (credit)/expense for the year	(19,591)	50,431

As at 31 December 2025, net deferred tax balances of approximately HK\$112,591,000 (2024: HK\$138,849,000) have been recognised for some of the unused tax losses, temporary differences on depreciation allowances, provision and unrealised gain/loss on financial assets. As at 31 December 2025, deferred tax assets have not been recognised in respect of the estimated tax losses of approximately HK\$957,276,000 (2024: HK\$965,199,000) because it is not probable that future taxable profit will be available against which certain entities under the Group can utilise the benefits therefrom. The tax losses do not expire under current tax legislation.

The following is the analysis of the deferred tax balances for financial reporting purpose:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	145,087	138,849
Deferred tax liabilities	(32,496)	–
	112,591	138,849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INCOME TAX (Continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax losses	Fair value change	Depreciation allowances	Expected credit loss allowances	Provision	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	133,231	(9,961)	1,554	42	–	124,866
Credited/(charged) to profit or loss	17,358	(5,592)	121	(42)	2,145	13,990
Exchange difference arising from translation of foreign operations	–	(7)	–	–	–	(7)
At 31 December 2024 and 1 January 2025	150,589	(15,560)	1,675	–	2,145	138,849
Credited/(charged) to profit or loss	19,313	(43,335)	(2,078)	–	(158)	(26,258)
At 31 December 2025	169,902	(58,895)	(403)	–	1,987	112,591

11. STAFF COSTS AND RELATED EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 HK\$'000	2024 HK\$'000
Staff costs and related expenses:		
Salaries, bonuses and allowances	56,451	72,326
Share-based payment expense	–	84,461
Retirement benefit scheme contributions	924	1,077
	57,375	157,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The remuneration of every director is set out below:

For the year ended 31 December 2025

Name of Director	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking			Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking					Total HK\$'000
	Fees HK\$'000	Employer's contribution to a retirement benefit scheme		Salaries HK\$'000	Employer's contribution to a retirement benefit scheme		Share award HK\$'000	Allowance HK\$'000	
		Discretionary bonus HK\$'000	HK\$'000		Discretionary bonus HK\$'000	HK\$'000			
Mr. Li Feng	250	-	-	3,000	2,300	18	-	409	5,977
Mr. Xie Fang	250	-	-	2,300	1,500	18	-	289	4,357
Mr. Ng Kian Guan Allen	600	-	-	-	-	-	-	-	600
Mr. Cheng Tai Sheung	250	-	-	-	-	-	-	-	250
Mr. Sun Junchen	250	-	-	-	-	-	-	-	250
Mr. Ko Ming Tung Edward	250	-	-	-	-	-	-	-	250
Mr. Wong Ka Wai Ian	250	-	-	-	-	-	-	-	250
Ms. Sun Haoshu ¹	161	-	-	-	-	-	-	-	161
Ms. Cao Jianmei ²	215	-	8	-	-	-	-	-	223
Total for 2025	2,476	-	8	5,300	3,800	36	-	698	12,318

¹ Appointed on 9 May 2025

² Resigned on 9 May 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 December 2024

Name of Director	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking			Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking					
	Fees HK\$'000	Discretionary bonus HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Salaries HK\$'000	Discretionary bonus HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Share award HK\$'000	Allowance HK\$'000	Total HK\$'000
Mr. Li Feng	250	-	-	2,713	-	18	13,249	422	16,652
Mr. Xie Fang ²	194	-	-	2,181	-	18	13,249	322	15,964
Mr. Ng Kian Guan Allen ³	438	-	-	-	-	-	-	-	438
Mr. Cheng Tai Sheung ¹	204	-	-	-	-	-	-	-	204
Mr. Sun Junchen ²	194	-	-	-	-	-	-	-	194
Mr. Ko Ming Tung Edward ²	194	-	-	-	-	-	-	-	194
Mr. Wong Ka Wai Ian ²	194	-	-	-	-	-	-	-	194
Ms. Cao Jianmei ⁴	31	-	-	-	-	-	-	-	31
Ms. Lin Le ⁷	781	-	5	-	-	-	-	-	786
Ms. Du Lina ⁹	511	-	5	-	-	-	-	-	516
Ms. Zhou Hui ⁹	57	-	-	-	-	-	-	-	57
Mr. Dong Hao ⁶	50	-	-	-	-	-	-	-	50
Mr. Wen Yuanhua ⁶	50	-	-	-	-	-	-	-	50
Mr. Jin Mingming ⁵	4	-	-	-	-	-	-	-	4
Mr. Huang Yan ¹⁰	50	-	-	-	-	-	-	-	50
Mr. Zhang Boyang ⁹	68	-	-	-	-	-	-	-	68
Total for 2024	3,270	-	10	4,894	-	36	26,498	744	35,452

- 1 Appointed on 8 March 2024
- 2 Appointed on 22 March 2024
- 3 Appointed on 8 April 2024
- 4 Appointed on 13 December 2024
- 5 Appointed on 8 March 2024 and resigned on 13 March 2024
- 6 Resigned on 13 March 2024
- 7 Resigned on 21 March 2024
- 8 Resigned on 22 March 2024
- 9 Resigned on 8 April 2024
- 10 Appointed on 19 April 2024 and retired on 28 June 2024

Note:

Estimated money values of other benefits include rent paid, share options, share base payment and insurance premium.

Neither the chief executive nor any of the directors waived any emoluments during the year (2024: HK\$Nil). In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the year ended 31 December 2025 (2024: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(b) Loans, quasi-loans and other dealings in favour of directors

There are no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company, or their controlled companies or connected entities that were entered into or subsisted during the year (2024: HK\$Nil).

(c) Directors' material interests in transactions, arrangements or contracts

Except for transactions disclosed in note 34, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: HK\$Nil).

(d) Five highest paid individuals

The five highest paid individuals in the Group during the year included 2 (2024: 2) directors whose emoluments is reflected in the analysis presented in note 12(a). The emoluments of the remaining 3 (2024: 3) individuals are set out below:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, award and allowances	6,272	5,482
Discretionary bonus	3,800	–
Share-based payment expense	–	38,459
Retirement benefit scheme contributions	54	47
	10,126	43,988

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
HK\$1,500,001 to HK\$2,000,000	1	–
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$5,500,001 to HK\$6,000,000	1	–
HK\$9,500,001 to HK\$10,000,000	–	1
HK\$15,500,001 to HK\$16,000,000	–	1
HK\$18,000,001 to HK\$18,500,000	–	1
	3	3

No amounts were paid or payable by the Group as inducement for the above remaining individuals to join the Group or compensation for the loss of office in connection with the management of the affairs of any members of the Group during the year (2024: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(e) Key management personnel compensation

	2025 HK\$'000	2024 HK\$'000
Basic salaries, award and allowances	10,556	9,892
Discretionary bonus	6,100	–
Share-based payment expense	–	47,990
Directors' fee	2,476	3,270
Retirement benefit scheme contributions	80	80
	19,212	61,232

13. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2025 (2024: HK\$Nil).

14. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company for the year ended 31 December 2025 is based on the profit for the year attributable to owners of the Company of approximately HK\$124,155,000 and the weighted average number of ordinary shares of approximately 1,859,098,000 which represents the ordinary shares in issue (excluding the ordinary shares purchased by the Company under the share award plan), adjusted to reflect the share consolidation which became effective on 2 July 2025. Details of share consolidation are set out in note 28 to the consolidated financial statements.

The calculation of basic earnings per share attributable to owners of the Company for the year ended 31 December 2024 is based on the profit for the year attributable to owners of the Company of approximately HK\$222,816,000 and the weighted average number of ordinary shares of approximately 1,734,047,000 which represents the ordinary shares in issue (excluding the ordinary shares purchased by the Company under the share award plan), adjusted and restated to reflect the share consolidation assuming it has become effective already in prior year. Accordingly, the basic and diluted earnings per share presented for the year ended 31 December 2024 are restated.

Diluted earnings per share

Diluted earnings per share amount was the same as basic earnings per share amount as there were no potential dilutive ordinary shares outstanding for the years ended 31 December 2025 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Software HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost					
At 1 January 2024	21,034	9,840	2,785	766	34,425
Additions	7,697	79	–	623	8,399
Write-off/disposals	(21,034)	(6,766)	(201)	(766)	(28,767)
Currency translation differences	–	(11)	–	–	(11)
At 31 December 2024 and 1 January 2025	7,697	3,142	2,584	623	14,046
Additions	–	97	–	–	97
Disposal of a subsidiary	–	(111)	–	–	(111)
Currency translation differences	–	1	–	–	1
At 31 December 2025	7,697	3,129	2,584	623	14,033
Accumulated depreciation and impairment					
At 1 January 2024	21,034	8,926	2,398	664	33,022
Charge for the year	128	703	268	154	1,253
Write-off/disposals	(21,034)	(6,758)	(199)	(766)	(28,757)
Currency translation differences	–	(7)	–	–	(7)
At 31 December 2024 and 1 January 2025	128	2,864	2,467	52	5,511
Charge for the year	1,539	120	112	125	1,896
Disposal of a subsidiary	–	(71)	–	–	(71)
At 31 December 2025	1,667	2,913	2,579	177	7,336
Carrying amount					
At 31 December 2025	6,030	216	5	446	6,697
At 31 December 2024	7,569	278	117	571	8,535

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. GOODWILL

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	Asset management – China Vered Asset Management (Hong Kong) Limited HK\$'000	Securities – China Vered Securities Limited HK\$'000	Total HK\$'000
Cost			
At 1 January 2024, 31 December 2024 and 1 January 2025	5,079	10,792	15,871
Write-off	–	(10,792)	(10,792)
At 31 December 2025	5,079	–	5,079
Accumulated impairment			
At 1 January 2024, 31 December 2024 and 1 January 2025	–	10,792	10,792
Write-off	–	(10,792)	(10,792)
At 31 December 2025	–	–	–
Carrying amount			
31 December 2025	5,079	–	5,079
31 December 2024	5,079	–	5,079

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, revenue growth rate and expenses growth rate, and long term growth rate during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Revenue and expenses growth rate are based on past practices and expectations on market development.

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For the year ended 31 December 2025

16. GOODWILL (Continued)

For the CGUs relating to asset management, the key assumptions used in the value in use calculation at 31 December 2025 and 2024 are as follows.

	2025	2024
Forecast period	5 years	5 years
% of revenue growth rate	12%	12%
% of expenses growth rate	10%	10%
Long term growth rate	5%	5%
Pre-tax discount rate	18%	18%

For the years ended 31 December 2025 and 2024, no impairment loss on goodwill of the CGUs relating to asset management business is recognised with reference to the value in use calculation. Management believes that any reasonably possible change in any of the assumptions would not cause the recoverable amount of the CGUs relating to asset management business to fall below its carrying amount.

During the year ended 31 December 2025, the Group has orderly withdrawn from certain licensed business and therefore the goodwill of the CGUs relating to securities business has been fully written-off.

17. OTHER INTANGIBLE ASSETS

	Trading right HK\$'000
Cost	
At 1 January 2024, 31 December 2024 and 1 January 2025	700
Write-off	(700)
At 31 January 2025	–
Accumulated amortisation and impairment	
At 1 January 2024, 31 December 2024 and 1 January 2025	700
Write-off	(700)
At 31 January 2025	–
Carrying amount	
At 31 December 2024 and 31 December 2025	–

Trading right

The trading right represented the eligibility rights to trade on or through the SEHK. During the year ended 31 December 2025, the Group has orderly withdrawn from certain licensed business and therefore the trading right has been fully written-off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2025 and 2024:

Name	Place of incorporation/ registration, operation and kind of legal entity	Issued share capital/ registered capital	Percentage of ownership interest/ voting power/ profit sharing		Principal activities
			Direct	Indirect	
China Vered Financial Investment Management Limited	Hong Kong, limited liability company	HK\$260,000,002	100%	–	Investment holding
China Vered Securities Holdings Limited	Hong Kong, limited liability company	HK\$1,475,000,001	100%	–	Investment holding
China Vered Wealth Holdings Limited	Hong Kong, limited liability company	HK\$1	–	100%	Provision of money lending services
China Vered Securities Limited	Hong Kong, limited liability company	HK\$200,000,000 (2024: HK\$1,500,000,000)	–	100%	Provision of securities brokerage services
China Vered Asset Management (Hong Kong) Limited	Hong Kong, limited liability company	HK\$15,000,000 (2024: HK\$160,000,000)	–	100%	Provision of securities advisory and asset management services
China Vered Capital (Hong Kong) Limited	Hong Kong, limited liability company	HK\$300,000,000	–	100%	Investment holding
China Vered Investment Limited	The British Virgin Islands, limited liability company	US\$6,410,000	–	100%	Investment holding
CM Equities SP	Cayman Islands, segregated portfolio	Not applicable	–	100%	Investment holding
CVAM Investment Limited	The British Virgin Islands, limited liability company	US\$1	–	100%	Investment holding
CVAM Investment Fund SPC	Cayman Islands, segregated portfolio company	US\$1	–	67%	Investment holding
CM Strategic Investment Management Holding Limited	Hong Kong, limited liability company	HK\$1	–	100%	Investment holding
JBC Holdings Co., Ltd.	Japan, limited liability company	JPY176,480,000	–	51%	Investment holding
JBC Fund I	Japan, partnership	Not applicable	–	99%	Investment holding
Tianjin Tong Ming Xin Peng Corporate Management Company Limited [^] ("Tianjin Tong Ming Xin Peng") 天津桐鳴鑫鵬企業管理有限責任公司	The PRC, limited liability company	RMB218,073,125	–	100%	Investment holding
Tianjin Hua Sheng He Tai Corporate Management Company Limited [^] ("Tianjin Hua Sheng He Tai") 天津華盛和泰企業管理有限公司	The PRC, limited liability company	RMB218,073,125	–	100%	Investment holding
China Vered One Limited	The British Virgin Islands, limited liability company	US\$17,000	–	100%	Investment holding
Mighty Commander Limited	The British Virgin Islands, limited liability company	US\$2,072	–	100%	Investment holding

[^] The English names are for identification purposes only

The above list contains the particulars of subsidiaries which principally affect the results, assets or liabilities of the Group. None of the subsidiaries has issued any debt securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. INVESTMENTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period	68,731	77,898
Share of post-tax profit/(loss) of associates	18,623	(9,167)
At the end of the reporting period	87,354	68,731

Set out below are the details of the associate as at 31 December 2025 and 2024 which, in the opinion of the directors, is material to the Group.

Name of entity	Place of business	Country of incorporation	Percentage of ownership interest	Nature of the relationship	Measurement method
Grand Flight Hooyoung Investment L.P.	The PRC	Cayman Islands	30%	(Note)	Equity

Note: Grand Flight Hooyoung Investment L.P. is an investment fund registered in Cayman Islands, which invests in listed and unlisted companies in various industries, including internet payment, smart home systems and medical device research and development business. It allows the Group to be involved in different innovative markets, which offer unique growth opportunity.

The following table shows the financial information of Grand Flight Hooyoung Investment L.P.

	2025 HK\$'000	2024 HK\$'000
Revenue	–	–
Profit/(loss)	77,153	(7,288)
Total comprehensive income/(loss)	77,153	(7,288)
Current assets	252,641	174,808
Current liabilities	–	–
Net assets	252,641	174,808
Carrying amount of the associate in the consolidated financial statements (30%)	75,792	52,443

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. INVESTMENTS IN ASSOCIATES (Continued)

Aggregate financial information of associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	11,562	16,288
Aggregate amounts of the Group's share of those associates		
Loss	(4,727)	(6,536)
Total comprehensive loss	(4,727)	(6,536)

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss include the followings:

	Note	2025 HK\$'000	2024 HK\$'000
Financial assets at fair value through profit or loss			
Unlisted equity investments		1,498,230	2,382,416
Unlisted investment funds	(a)	384,971	450,460
Unlisted debt investment		3,020	23,200
Listed equity investments	(b)	1,637,209	650,816
Listed debt investments	(b)	160,201	8,255
Convertible loan	(b)	–	–
		3,683,631	3,515,147
Classified as:			
Non-current assets		1,886,221	2,850,203
Current assets		1,797,410	664,944
		3,683,631	3,515,147

	2025 HK\$'000	2024 HK\$'000
Financial liabilities at fair value through profit or loss		
Other financial liabilities	–	9,892
	–	9,892
Classified as:		
Current liabilities	–	9,892

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For the year ended 31 December 2025

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes:

- (a) The investments in unlisted investment funds of HK\$384,971,000 (2024: HK\$450,460,000) represent investments in unconsolidated structured entities. The Group does not consolidate these structured entities as the Group does not have control over them. Such structured entities include investments in funds and partnership managed by certain subsidiaries of the Group and/or third parties. The maximum exposure to loss is HK\$384,971,000 (2024: HK\$450,460,000) which represents the fair value as at 31 December 2025.

The size of these unconsolidated structured entities is HK\$3,055,837,000 (2024: HK\$5,698,158,000).

During the year, the Group did not provide financial support to these unconsolidated structured entities and has no intention of providing financial or other support.

- (b) The interest receivables derived from convertible loan, listed debt investments and certain listed equity investments have been recognised as other interest receivables in the consolidated statement of financial position.

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For the year ended 31 December 2025

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Investment in Fund F

As at 31 December 2025, these financial assets included an investment in an unlisted investment fund (the "Fund F"), which was managed by an external fund manager (the "Fund Manager E"), whose carrying value amounted to approximately HK\$58,813,000 (2024: HK\$60,219,000). The original cost of investment in the Fund F amounted to approximately HK\$77,981,000 with an accumulated fair value loss of approximately HK\$19,168,000 (2024: HK\$17,762,000). Based on the fund documents of the Fund F, its investment objective is to invest in equity or debt securities of healthcare companies with disruptive technologies or products. According to the latest available financial information of the Fund F, it was noted that the main underlying assets included investments in unlisted equity securities of various healthcare companies.

The Group has taken active measures including discussion with the Fund Manager E to obtain documentary evidence in respect of the underlying assets of the Fund F. The Group has obtained necessary financial information and valuation in relation to the underlying assets of the Fund F from the Fund Manager E. The Group considered that the carrying value of the investment in the Fund F was properly stated as at 31 December 2025 and 2024. The Group would continue to implement all possible actions to safeguard the investment in the Fund F.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income include the followings:

	Note	2025 HK\$'000	2024 HK\$'000
Financial assets at fair value through other comprehensive income			
Unlisted investment funds	(a)	–	38,761
Listed equity investments	(b)	68,086	66,294
Listed debt investments	(c)	121,425	238,399
		189,511	343,454
Classified as:			
Non-current assets		182,928	254,580
Current assets		6,583	88,874
		189,511	343,454

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For the year ended 31 December 2025

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(Continued)

Notes:

- (a) As at 31 December 2024, the investments in unlisted investment funds of HK\$38,761,000 represented investments in unconsolidated structured entities which were designated as fair value through other comprehensive income as these investments were held for long term strategic purpose. The Group did not consolidate these structured entities as the Group did not have control over them. Such structured entities included investments in funds managed by third parties and the investment funds mainly invested in equity and debt securities issued by entities from banking and finance sector and energy and chemical sector. The maximum exposure to loss was HK\$38,761,000 which represented the fair value as at 31 December 2024.

The size of these unconsolidated structured entities was HK\$46,841,000 as at 31 December 2024.

The Group did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support.

During the year ended 31 December 2025, the net fair value loss on investment in unlisted investment funds of approximately HK\$2,120,000 (2024: HK\$5,530,000) was recognised in other comprehensive income.

During the year ended 31 December 2025, certain unlisted investment funds with an aggregate fair value of approximately HK\$36,641,000 (2024: HK\$Nil) were disposed of which is in line with the Group's inherent investment strategy. The cumulative loss of approximately HK\$483,038,000 that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2025 (2024: HK\$Nil). As at 31 December 2025, the carrying value of remaining investments in unlisted investment funds amounted to zero.

- (b) The Group designated these investments at fair value through other comprehensive income as the investments are held for long term strategic purposes. The issuers of these listed equity investments are mainly under banking and finance sector and real estate sector.

During the year ended 31 December 2025, the net fair value gain on listed equity investments of approximately HK\$1,792,000 (2024: loss of HK\$15,306,000) was recognised in other comprehensive income.

During the year ended 31 December 2024, certain listed equity investments with fair value of approximately HK\$155,405,000 were disposed of which is in line with the Group's inherent investment strategy. The cumulative gain of approximately HK\$4,876,000 that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2024. No such equity investments were disposed during the year ended 31 December 2025.

- (c) The interest receivables derived from listed debt investments have been recognised as other interest receivables in the consolidated statement of financial position.

ECL allowances attributable to debt investments at fair value through other comprehensive income as at 31 December 2025 amounted to HK\$330,575,000 (2024: HK\$553,764,000). Increase in ECL allowances of HK\$7,465,000 (2024: decrease of HK\$796,000) was recognised in the consolidated statement of profit or loss during the year.

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For the year ended 31 December 2025

22. FINANCIAL ASSETS AT AMORTISED COST

	2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost		
Not past due or less than 1 month past due	76,288	23,441
1–3 months past due	–	–
3–6 months past due	–	–
6–12 months past due	–	–
Over 12 months past due	139,770	139,419
	216,058	162,860
Less: ECL allowances on financial assets at amortised cost	(138,427)	(136,853)
	77,631	26,007
Classified as:		
Non-current assets	73,811	–
Current assets	3,820	26,007
	77,631	26,007

As at 31 December 2025, these financial assets at amortised cost include note receivables with effective interest rate at 7.6% to 7.7% per annum (2024: 7.0% to 7.6% per annum). Interest income derived from financial assets at amortised cost was recognised and presented under "Interest income from debt instruments at amortised cost" in note 6 to the consolidated financial statements.

ECL allowances attributable to financial assets at amortised cost as at 31 December 2025 amounted to HK\$138,427,000 (2024: HK\$136,853,000). Increase in ECL allowances of HK\$1,574,000 (2024: decrease of HK\$1,113,000) was recognised in the consolidated statement of profit or loss during the year.

23. MARGIN RECEIVABLES AND OTHER TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Margin receivables	75,991	99,454
Less: ECL allowances	(75,991)	(97,587)
	–	1,867
Trade receivables arising from asset management business and underwriting business	11,046	13,707
Less: ECL allowances	(2,800)	(2,800)
	8,246	10,907
	8,246	12,774

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For the year ended 31 December 2025

23. MARGIN RECEIVABLES AND OTHER TRADE RECEIVABLES (Continued)

As at 31 December 2025, loans to margin clients were secured by clients' pledged Hong Kong-listed securities at fair value of approximately HK\$26,500,000 (2024: HK\$4,646,000) which could be sold at the discretion of a subsidiary of the Group to settle margin call requirements imposed by their respective securities transactions. The loans are repayable on demand and bear interest at commercial rates.

ECL allowances attributable to margin receivables as at 31 December 2025 amounted to HK\$75,991,000 (2024: HK\$97,587,000). Decrease in ECL allowances of HK\$21,596,000 (2024: increase of HK\$34,021,000) was recognised in the consolidated statement of profit or loss during the year.

Except for those margin receivables in stage 3 of ECL assessment, the Group considered that the business nature of margin receivables is short-term and the Directors are of the opinion that no further aging analysis is required to be disclosed.

Trade receivables arising from asset management business are mainly due at the end of the relevant valuation period of the investment funds and managed accounts. However, some of these trade receivables are only due after the relevant valuation period as a result of credit periods granted to certain investment funds and managed accounts which are generally within three months.

These trade receivables are generally deducted from the net asset value of the investment funds and managed accounts and paid directly by the administrator or custodian of these investment funds and managed accounts at the end of the relevant valuation period or credit period, as appropriate.

ECL allowances attributable to other trade receivables as at 31 December 2025 amounted to HK\$2,800,000 (2024: HK\$2,800,000). No ECL allowance (2024: HK\$Nil) was recognised in the consolidated statement of profit or loss during the year.

Aging analysis of gross other trade receivables from the trade date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–90 days	1,460	2,798
91 days to 1 year	5,551	6,877
Over 1 year	4,035	4,032
	11,046	13,707

The carrying amounts of the margin receivables approximate to their fair values.

The carrying amounts of other trade receivables approximate to their fair values due to the short-term maturity. The maximum exposure to credit risk at the reporting date is the carrying amounts of the other trade receivables. The Group did not hold any collateral as security as at 31 December 2025 (2024: HK\$Nil).

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For the year ended 31 December 2025

24. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Other receivables	10,215	5,290
Less: ECL allowances	(376)	–
	9,839	5,290
Prepayments	2,397	3,733
Other deposits	413	2,125
	12,649	11,148

ECL allowances attributable to other receivables as at 31 December 2025 amounted to HK\$376,000 (2024: HK\$Nil). Increase in ECL allowances of HK\$376,000 (2024: HK\$Nil) was recognised in the consolidated statement of profit or loss during the year.

As at 31 December 2025 and 2024, all the current balances are expected to be recovered within one year.

25. LOAN AND INTEREST RECEIVABLES

As at 31 December 2025, these loan receivables bore interest at fixed rate ranging at 5% to 15% per annum (2024: 10% to 15% per annum) and were secured by deposits received of approximately HK\$110,715,000 (2024: HK\$107,987,000). Interest income derived from loan receivables was recognised and presented under “Interest income from loan lending business” in note 6 to the consolidated financial statements.

Regular credit reviews on these loans receivables are conducted by the Risk Management Department based on the latest status of these loans, and the latest announced or available information about the borrowers and the underlying collateral held. Apart from collateral monitoring, the Group seeks to maintain effective control over its loans in order to minimise credit risk by regularly reviewing the borrowers’ and/or guarantors’ financial positions.

As these loan receivables will be settled within 12 months, the carrying amounts approximate to their fair values.

ECL allowances attributable to loan and interest receivables as at 31 December 2025 amounted to HK\$266,288,000 (2024: HK\$263,544,000). Increase in ECL allowances of HK\$2,744,000 (2024: HK\$234,000) was recognised in the consolidated statement of profit or loss during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. LOAN AND INTEREST RECEIVABLES (Continued)

The following is an aging analysis of loan and interest receivables based on the contract note at the reporting date:

	2025 HK\$'000	2024 HK\$'000
Not past due or less than 1 month past due	110,311	9,986
1–3 months past due	250	–
3–6 months past due	–	–
6–12 months past due	–	–
Over 12 months past due	372,093	371,733
	482,654	381,719
Less: ECL allowances	(266,288)	(263,544)
	216,366	118,175

26. DEPOSITS WITH BROKERS AND CASH AND CASH EQUIVALENTS

As at 31 December 2025, cash and cash equivalents of the Group denominated in RMB or HKD and kept in the PRC amounted to approximately HK\$49,208,000 (2024: HK\$2,232,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

The Group maintains segregated accounts with authorised institutions to hold clients' monies in the normal course of business. At 31 December 2025, client money maintained in segregated accounts not otherwise dealt with in the consolidated financial statements amounted to approximately HK\$394,000 (2024: HK\$4,377,000).

As at 31 December 2025, deposits with brokers were mainly placed in the licensed stockbrokers in Hong Kong and the PRC, which amounted to approximately HK\$80,505,000 (2024: HK\$42,537,000).

The carrying amounts of deposits with brokers and cash and cash equivalents approximate to their fair values.

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For the year ended 31 December 2025

27. ACCRUALS AND OTHER PAYABLES

	Note	2025 HK\$'000	2024 HK\$'000
Contract liabilities	(a)	50	4,600
Deposits received	(b)	111,528	108,637
Receipts in advance		7	7
Other tax payables		2,580	2,298
Accruals and other payables		28,397	22,789
		142,562	138,331

(a) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	4,600	9,200
Advance payments received from customer	50	–
Recognised as revenue during the year	(4,600)	(4,600)
At 31 December	50	4,600

The amount of transaction price allocated to the performance obligations that are unsatisfied at the reporting date is as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Expected timing of revenue recognition:</i>		
Within 1 year	350	4,600
	350	4,600

- (b) Included in the deposits received were an amount of approximately HK\$110,715,000 (2024: HK\$107,987,000) which represented the deposit received as a pledged asset for a loan receivable of HK\$121,589,000 (2024: HK\$121,285,000) as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28. SHARE CAPITAL

	Note	2025		2024	
		Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Ordinary shares, issued and fully paid:					
At 1 January		37,181,959	4,582,684	34,714,459	4,454,374
Share consolidation	(a)	(35,322,861)	–	–	–
New shares issued	(b)	–	–	2,467,500	128,310
At 31 December		1,859,098	4,582,684	37,181,959	4,582,684

Notes:

- (a) On 28 March 2025, the Directors of the Company proposes to implement a share consolidation (the "Share Consolidation") on the basis that every twenty (20) issued existing shares in the share capital of the Company be consolidated into one (1) consolidated share. The resolution of Share Consolidation was duly passed by the shareholders of the Company as ordinary resolution at the annual general meeting held on 27 June 2025. The Share Consolidation became effective on 2 July 2025. For further information, please refer to the announcements of the Company dated 28 March 2025 and 27 June 2025, the circular of the Company dated 28 May 2025 and the next day disclosure return of the Company dated 2 July 2025.
- (b) The Group completed an acquisition of two investment holding companies for a consideration of US\$23,500,000 (equivalent to approximately HK\$183.3 million) on 7 October 2024 (the "Acquisition"). The aggregate consideration for the Acquisition had been satisfied as to (i) US\$7,050,000 (equivalent to approximately HK\$55.0 million) in cash and (ii) US\$16,450,000 (equivalent to approximately HK\$128.3 million) by way of the allotment and issue of 2,467,500,000 consideration shares at HK\$0.052 per share by the Company. These shares represent 7.11% of the issued capital before the Acquisition and 6.64% of the enlarged capital of the Company.

Please refer to the announcements of the Company dated 27 September 2024 and published on 29 September 2024 for further details of the Acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. OTHER RESERVES

(i) Capital reduction reserve

The capital reduction reserve account of the Group enhancing the Group's ability and flexibility in potential dividend distribution in future. The capital reduction reserve account is available to set off against any losses of the Group and/or to make distribution to its shareholders in the future when appropriate.

(ii) Special capital reserve

The application of the special capital reserve is subject to the court order granted by the High Court of Hong Kong SAR. Pursuant to the High Court Order dated 20 November 2002, as long as the Company shall remain a listed company, the balances shall be treated as an undistributable reserve of the Company provided that (1) the Company shall be at liberty to apply the said special capital reserve for the same purposes as a share premium account may be applied; and (2) the amount standing to the credit of the special capital reserve may be reduced by the amount of any increase, after the effective date, in the paid up share capital or the amount standing to the credit of the share premium account of the Company as a result of the payment up of shares by the receipt of new consideration or the capitalisation of distributable profits.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2.5 to the consolidated financial statements.

(iv) Statutory surplus reserve

In accordance with the PRC Company Law and the respective company's articles of association, a subsidiary of the Group established in the PRC, being a wholly foreign owned enterprise, is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), to the statutory surplus reserve. When the balance of the reserve fund reaches 50% of the entity's registered capital, any further appropriation is optional. With the approval from the relevant authorities, the statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. The reserve fund cannot be distributed in the form of cash.

(v) Investment revaluation reserve

The investment revaluation reserve comprises all fair value gain/loss arising from the revaluation of the financial assets at fair value through other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2025 HK\$'000	2024 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,697	8,496
Right-of-use asset	8,114	10,277
Investments in subsidiaries	1,595,010	1,735,010
Rental and other deposits	772	3,280
Deferred tax assets	25,847	22,313
Total non-current assets	1,636,440	1,779,376
Current assets		
Other receivables, prepayments and deposits	4,002	5,124
Financial assets at fair value through profit or loss	–	5,873
Deposits with brokers	23	23
Amounts due from subsidiaries	2,260,786	2,181,079
Cash and bank balances	120,673	265,078
Total current assets	2,385,484	2,457,177
Total assets	4,021,924	4,236,553
EQUITY		
Equity attributable to owners of the Company		
Share capital (Note 28)	4,582,684	4,582,684
Other reserves (Note 30(b))	867,549	867,549
Accumulated losses (Note 30(c))	(1,458,593)	(1,248,025)
Total equity	3,991,640	4,202,208
LIABILITIES		
Non-current liability		
Lease liabilities	6,702	8,956
Total non-current liability	6,702	8,956
Current liabilities		
Accruals and other payables	21,328	23,454
Lease liabilities	2,254	1,935
Total current liabilities	23,582	25,389
Total liabilities	30,284	34,345
Total equity and liabilities	4,021,924	4,236,553

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

Li Feng
Director

Xie Fang
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Capital reduction reserve HK\$'000	Shares held for share award plan reserve HK\$'000	Special capital reserve HK\$'000	Total HK\$'000
At 1 January 2024	140,850	(178,292)	726,699	689,257
Release of shares held for share award plan	–	178,292	–	178,292
At 31 December 2024, 1 January 2025 and 31 December 2025	140,850	–	726,699	867,549

(c) Movement of accumulated losses of the Company

	Accumulated losses HK\$'000
At 1 January 2024	(1,161,340)
Profit for the year	7,146
Release of shares held for share award plan	(93,831)
At 31 December 2024 and 1 January 2025	(1,248,025)
Loss for the year	(210,568)
At 31 December 2025	(1,458,593)

31. SHARE-BASED COMPENSATION

Share award plan

On 19 December 2018, the Group adopted a share award plan. The purpose of the share award plan is to recognise and reward the contribution of selected employees or directors, to give incentives in order to retain them for the continual operation and development of the Group. The share award plan shall be valid and effective for a period of 10 years commencing from 19 December 2018 but may be terminated earlier as determined by the Board.

During the year ended 31 December 2025, the Company did not acquire any shares from open market for the share award plan (2024: HK\$Nil) and the Company did not grant any shares to the employees under the share award plan (2024: 1,730,830,000 shares granted to certain employees). The fair value of shares granted amounting to approximately HK\$84,461,000 was determined based on the quoted market price of the shares at the date of grant and was recognised as share-based payment expense in profit or loss during the year ended 31 December 2024.

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For the year ended 31 December 2025

32. CONTINGENT LIABILITIES

On 7 June 2022, the Group's asset management subsidiary, China Vered Asset Management (Hong Kong) Limited ("CVAM") received a writ of summons (the "Writ of Summons") with an indorsement of claim issued by the plaintiff in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region naming CVAM as a defendant. Details of the receipt of the Writ of Summons are set out in the Company's announcement dated 10 June 2022. Subsequently, on 5 August 2022, an unlisted offshore investment for which CVAM acted as investment manager (the "Fund") was also added as a defendant.

As stated in the indorsement of claim attached to the Writ of Summons, the plaintiff claims against the defendants, among others, for: (1) a sum of US\$17,090,460.61, being the original investment amount of US\$25,000,000.00 made by the plaintiff in the Fund where CVAM serves as the investment manager, less US\$7,909,539.39, being the redemption proceeds paid to the plaintiff; (2) interest for investment in the Fund; (3) loss and/or damages; (4) such further or other reliefs as the court shall deem fit; and (5) costs.

The Group has sought legal advice in respect of the litigation. At the end of the reporting period and up to the date of approval of the consolidated financial statements, based on the information available and the advice from external legal advisors, the Group's management assessed that whether any present obligation exists remains high uncertainty. Accordingly, the Group has not made any provisions for claim arising from the litigation, other than the related legal and other costs.

CVAM, as a licensed corporation registered with the SFC, may be required to assist in and/or are subject to inquiries by relevant regulatory authorities in Hong Kong, including the SFC, if and when necessary. CVAM has been involved in ongoing communication with regulatory authorities regarding matters being investigated by the Group in prior year and no disciplinary action has been initiated by any regulatory authorities as of the date of this report. The Group has not made any provision for the aforementioned contingency.

Save as disclosed above, as at 31 December 2025, the Group and the Company did not have any significant contingent liabilities (2024: HK\$Nil).

33. COMMITMENTS

Capital commitments

The Group has entered into contracts to commit investing into certain unlisted investment funds. The aggregate non-cancellable capital commitments as at 31 December 2025 amounted to approximately HK\$51,831,000 (2024: HK\$12,292,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2025 HK\$'000	2024 HK\$'000
Fee income received from asset management, net (Note i)	694	1,208
Underwriting fee income (Note ii)	–	150
Dividend income (Note iii)	7,394	7,014

Note i: The Group provided co-investment management service to certain related party funds in which the Group had substantial interest, and recognised a net income of fund management fee of approximately HK\$694,000 (2024: HK\$1,208,000). The fund management fee is determined with reference to the market rate offered to other third party investor of the fund. As at 31 December 2025, the fee receivable amounted to approximately HK\$965,000 (2024: HK\$271,000).

The Group also provided fund management service to a related party fund managed by our subsidiary namely CVAM since prior years. The fund management fee and performance fee are determined with reference to the market rate offered to other third party investor of the fund. No such fund management service income was recognised from this related party fund during the years ended 31 December 2025 and 2024. As at 31 December 2025, the fee receivable amounted to approximately HK\$1,235,000 (2024: HK\$1,232,000).

Note ii: During the year ended 31 December 2024, the Group had received underwriting fee income of HK\$150,000 in accordance with the terms of relevant subscription agreements in which Vered Investment Co., Ltd, a non-controlling shareholder of the Company, issued a corporate bond and a subsidiary of the Company acted as one of the arranger in the offerings. During the year ended 31 December 2025, the Group did not provide any underwriting services to related parties.

Note iii: During the year ended 31 December 2025, the Group has received dividend income of approximately HK\$7,394,000 from certain related party funds (2024: HK\$7,014,000). Dividend income is determined by fund manager with reference to the fund mandate.

- (b) The remuneration for directors and other members of key management of the Group during the year is disclosed in note 12 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities:

	Liabilities from financing activities	
	Loan and interest payables HK\$'000	Lease liabilities HK\$'000
As at 1 January 2024	27,639	2,619
Changes from financing cash flows:		
Repayment of loan payables	(26,647)	–
Principal elements of lease rentals paid	–	(2,546)
Other changes:		
Interest expenses	608	92
Interest paid	(1,600)	(92)
Acquisition — leases	–	10,818
As at 31 December 2024 and 1 January 2025	–	10,891
Changes from financing cash flows:		
Principal elements of lease rentals paid	–	(1,935)
Other changes:		
Interest expenses	–	410
Interest paid	–	(410)
As at 31 December 2025	–	8,956

36. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group noted a significant decline in the market value of certain listed equity investments classified as financial assets at fair value through profit or loss, as compared to their fair values as at 31 December 2025, which may be primarily attributable to market sentiment and/or sector performance.

Save as disclosed above and elsewhere in this report, there were no other material subsequent events since the end of the reporting period and up to the date of this report.

FIVE YEAR FINANCIAL SUMMARY (UNAUDITED)

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Results					
Turnover	113,887	109,392	114,385	243,757	302,540
Profit/(loss) attributable to:					
— Owners of the Company	124,155	222,816	(24,834)	(623,263)	71,189
— Non-controlling interests	(332)	380	1,273	455	(1,009)
Assets and liabilities					
Total assets	4,833,421	4,729,696	4,318,496	4,464,246	5,467,773
Total liabilities	(324,722)	(344,658)	(329,539)	(309,046)	(527,098)
Total equity	4,508,699	4,385,038	3,988,957	4,155,200	4,940,675