



CASH 時富

ANNUAL REPORT  
2025

WE STRIDE FOWARD IN UNITY  
WITH INNOVATIVE CHANGES

Celestial Asia Securities Holdings Limited  
(Stock Code : 1049)

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# CORPORATE PROFILE

Celestial Asia Securities Holdings Limited ("CASH Group", SEHK: 1049) is a multi-faceted investment conglomerate focusing on enhancing client experience through technology and innovation. Headquartered in Hong Kong, we serve modern consumer needs in investment and wealth management, lifestyle and home improvement. All our businesses share a common mission that our customers' interests always come first. Our brands are synonymous with good customer service, great quality and fabulous value.

Abide by the "People-Oriented" principle, CASH Group is committed to becoming a Total Caring Organisation to partner with our key stakeholders to work towards the sustainable development of our business, our employees, our environment and our society. CASH's award-winning companies comprise Pricerite Group (Pricerite), CASH Financial Services Group (CFSG), CASH Algo Finance Group (CAFG), etc.

## RETAIL MANAGEMENT – PRICERITE GROUP

Founded in 1986, Pricerite Group offers a diverse portfolio of home furnishing and lifestyle brands, serving customers by blending operating efficiency, leveraging technology strategically, and drawing on our strong pool of talent.

We build our competitive advantage as a trusted Hong Kong brand with deep market insight, delivering a relevant and comprehensive product offering that meets diverse customer needs, and reinforced by economies of scale through a shared operating model. Businesses comprise sourcing and retailing of quality products under brands such as Pricerite Home, TMF, Pricerite Creations, Pricerite Food, Pricerite Pet, etc.

Pricerite has been at the forefront of developing "New Retail" in Hong Kong by integrating the very best of online and offline channels to deliver omni-channel retailing, allowing customers to enjoy a high-quality shopping experience whenever and wherever they choose. As a pioneer of online shopping in Hong Kong's home furnishing market, Pricerite has always made products accessible both in-store and online. Today, its integrated retail approach enables customers to receive expert advice and experience products firsthand, seamlessly complementing their online shopping journey and establishing the company's core competitive edge in the market.

Pricerite upholds a "People-oriented" principle, attaining leadership through innovation in product mix, merchandising, store layout, and full-market strategy for home improvement retailing. Deepening this commitment, Pricerite is among the first to embrace artificial intelligence (AI), harnessing its power to enhance operational efficiency, elevate customer experience, accelerate innovation, and sharpen data-driven decision-making.

By leveraging the latest information technology for precise, timely data collection and employing market research tools, Pricerite continually improves its understanding of customer needs – enabling customer-focused innovations that address Hong Kong's unique housing and living demands.

At Pricerite, we care for the people of Hong Kong. It's our founding principle and it forms everything we do. That means empowering our customers to build and care for their homes, their families, and themselves, no matter the size or constraints of their living space. By cultivating a culture of caring, we inspire our customers to impart our values to the world.

As a renowned Hong Kong brand, Pricerite is widely recognized for its exceptional performance in areas including brand management, product design, quality services and e-commerce platforms. As a result, many high accolades have been awarded to its brands, including the Hong Kong Top Brand 10 Year Achievement Award and Premier Service Brand from the Hong Kong Brand Development Council, Consumer Product Design Award from the Hong Kong Awards for Industries, Bronze Award of Marketing Excellence Awards from HKMA/TVB, Q-Mark Elite Brand Award from Hong Kong Q-Mark Council, Outstanding QTS Merchant Awards – Gold Award from Hong Kong Tourism Board, and Top 10 Quality E-Shop Award, Top 10 O2O Retail Brand, Retail Excellence Award and numerous Service and Courtesy Awards from the Hong Kong Retail Management Association, etc.

Pricerite cares for the environment and is committed to protecting it hand in hand with our stakeholders, minimising the impact of our operations to the environment. Through the sourcing of eco-products, adoption of retail technologies and active participation in various environmental activities, Pricerite takes its initiative to develop a sustainable society with customers. Pricerite has received numerous awards for the recognition of its contribution to environmental protection, including Silver Award in Shops and Retailers sector under the Hong Kong Awards for Environmental Excellence, Sustainable Business Award from World Green Organisation (WGO), BOCHK Corporate Environmental Leadership Awards: EcoChallenger from Federation of Hong Kong Industries (FHKI), etc.

# CORPORATE PROFILE

## FINANCIAL SERVICES – CFSG

Headquartered and listed in Hong Kong (SEHK: 510), CASH Financial Services Group (“CFSG”) is committed to managing wealth and asset inheritance for our clients over the past 50 years. Our culture of excellence drives our ongoing focus on sustainable growth, integrity and innovation, serving a diversified client base that includes corporations, financial institutions and individual investors.

### ***Full-Licensed Operations, Providing Comprehensive Financial and Wealth Management Services***

Established in 1972, CFSG is one of few full-licensed Hong Kong financial services institutions currently holding SFC Type 1, 2, 4, 5 and 9 licenses. Providing comprehensive financial and wealth management services, CFSG is also a licensed money lender in Hong Kong, a licensed insurance broker registered with the Hong Kong Insurance Authority, a licensed Trust or Company Service Provider, and a Principal Intermediary registered with the Hong Kong Mandatory Provident Fund Authority.

### ***From Hong Kong’s Firm Foothold to Serve Well as the Hub Connecting the Domestic and Global Markets***

CFSG is branching out beyond firm foundations in Hong Kong to serve well as the hub connecting the domestic and global markets. Wealth management centres are established in Hong Kong, Shanghai, Shenzhen and Qingdao, with more centres and strategic alliances planned in the three major national economic development areas: the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and the Bohai Rim, to provide even more comprehensive wealth management and financial services to individuals and financial institutions.

### ***At Forefront of FinTech, Innovating Financial Services***

CFSG has always been a pioneer in FinTech development, investing heavily in groundbreaking innovations that reshape the financial services industry.

Since becoming the first financial institution in Hong Kong to provide online securities and futures trading services in 1998, CFSG has been adopting advanced technology solutions to meet the growing demand in investment services.

In recent years, CFSG launched a cutting-edge mobile trading app, Alpha i with the aim of enhancing the user experience and service quality. The new digital platform provides FinTech services to a new generation of tech-savvy and mobile-driven millennial investors.

In response to the growing demand for innovative financial solutions, CFSG has developed Hong Kong’s first no-code AI algorithmic trading platform, Quantphemes, democratising professional quantitative trading. The revolutionary “Chat to Strategy” technology of Quantphemes enables investors to create, backtest, and execute sophisticated trading strategies using natural language, while its library of over 100 pre-built strategies allows for instant deployment.

As a wealth management expert, CFSG will integrate different advantages of traditional and new financial assets to develop a full range of wealth management business, providing our clients with more choices while actively advancing Hong Kong’s position as an international FinTech centre.

### ***Professional Management with Wide Range of Expert Experience***

CFSG’s management team has extensive experience of the regional regulations and regulated activities in Hong Kong, Mainland China and global markets; comprising highly educated, qualified professionals in various financial services specialties. Group businesses are managed by responsible officers and representatives of these regulated activities under different established regulators.

## ALGO TRADING – CASH ALGO FINANCE GROUP (CAFG)

Established in 2009, CAFG is a pioneer in embracing financial technology (FinTech) to offer innovative wealth management products in Asia. CAFG marries quantitative finance with algo trading to deliver superior and sustainable investment return for our investors. The Company constantly develops new strategies, validates them via proprietary trading, and provides cutting-edge solutions to asset management firms, seeking for long-term capital growth.

As a pioneer in quantitative finance and algo trading in Asia, we understand the importance of a low-latency platform integrated with a robust real-time risk management system. In addition to serving existing strategies in multiple markets with our proprietary and scalable platform, CAFG is expanding its trading strategies to new markets with cutting-edge algorithmic technologies to optimise risk-adjusted returns across a broad range of asset classes.

We also provide an algo incubation service to assist algo traders, quant strategists, and academia dedicated to researching, developing, testing, and launching their trading ideas. CAFG has established a proprietary one-stop platform for the entire investment lifecycle, supporting data analytics, strategy deployment, smart execution, and robust risk management.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive:

KWAN Pak Hoo Bankee (Chairman, ED & CEO)  
LEUNG Siu Pong James (ED) (*resigned on 2 July 2025*)  
KWAN Teng Hin Jeffrey (ED)  
CHEUNG Tsz Yui Morton (ED & CFO)  
KWAN Iec Teng Janet (ED)

### Independent Non-executive:

LEUNG Ka Kui Johnny  
WONG Chuk Yan  
CHAN Hak Sin

## AUDIT COMMITTEE

LEUNG Ka Kui Johnny (committee chairman)  
WONG Chuk Yan  
CHAN Hak Sin

## REMUNERATION COMMITTEE

LEUNG Ka Kui Johnny (committee chairman)  
WONG Chuk Yan  
KWAN Pak Hoo Bankee

## NOMINATION COMMITTEE

KWAN Pak Hoo Bankee (committee chairman)  
LEUNG Ka Kui Johnny  
CHAN Hak Sin  
KWAN Iec Teng Janet (*appointed on 1 September 2025*)  
WONG Chuk Yan (*appointed on 1 September 2025*)

## COMPANY SECRETARY

CHEUNG Suet Ping Ada

## AUTHORISED REPRESENTATIVES

KWAN Pak Hoo Bankee  
(alternate: KWAN Teng Hin Jeffrey)  
CHEUNG Tsz Yui Morton  
(alternate: CHEUNG Suet Ping Ada)

## PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited  
Nanyang Commercial Bank, Limited  
Shanghai Commercial Bank Limited  
Chong Hing Bank Limited  
OCBC Bank (Hong Kong) Limited  
The Hong Kong and Shanghai Banking Corporation Limited  
The Bank of East Asia, Limited  
Hang Seng Bank Limited

## AUDITOR

Deloitte Touche Tohmatsu  
Registered Public Interest Entity Auditors

## SOLICITORS

Sidley Austin

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28/F Manhattan Place  
23 Wang Tai Road  
Kowloon Bay  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## WEBSITE

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

## STOCK CODE ON MAIN BOARD

1049

## CONTACTS

Telephone : (852) 2287 8888  
Facsimile : (852) 2287 8000

# CHAIRMAN'S LETTER

Dear Fellow Shareholders,

This past year was one of determined execution, strategic recalibration, and steadfast resilience for the CASH Group. Against a backdrop of lingering economic headwinds, geopolitical uncertainty, and shifting consumer behaviours, our Group not only weathered the storm but emerged stronger and better positioned to lead as market conditions gradually recover.

In an environment where Hong Kong's retail sector saw only modest growth and the furniture and fixtures segment experienced a sharp decline of 13.9%, our Group's core business – Pricerite – demonstrated remarkable resilience. We did not simply wait for the tide to turn; we took proactive, decisive action. We closed underperforming stores, implemented rigorous cost controls, and revitalised our product lines to align with evolving customer needs. Our focus remained on what we do best – providing total home solutions tailored to Hong Kong's compact living spaces.

A defining moment of the year was the launch of Creations, a dedicated brand offering tailor-made furniture and renovation services specifically for mass market customers. This initiative not only captured meaningful demand from value-oriented households but also aligned with government efforts to improve housing quality and accelerate delivery cycles to occupancy. By combining affordability with the trust and reliability of the Pricerite brand, Creations became a standout performer, achieving record sales and serving as a key growth engine. It validated our belief that integrating products with value-added services – our “total home solutions” model – resonates deeply with customers navigating space constraints and budgetary considerations.

Central to our strategic direction is the deepening of our customer-centric philosophy – not merely responding to needs, but anticipating them. In line with this vision, we made deliberate investments in expanding our product architecture to address two distinct and growing demographic shifts. The revitalisation of our Custom-Made Furniture (任意改) series reflects our strategic commitment to moving beyond standardised offerings, positioning personalisation as a core competitive advantage in a market defined by spatial constraints and evolving lifestyle aspirations. This move is fully aligned with our core positioning: “Small Space • Big Universe” (小小空間 • 大大宇宙).

Concurrently, the launch of our “Silver Living” (銀優生活) line represents a forward-looking move into the silver economy – a segment poised for sustained growth – allowing us to serve the ageing population with solutions that prioritise safety, independence, and quality of life. The development of this line is consistent with the government's policy of creating an age-friendly consumption environment. As our ageing population continues to grow, we believe this segment holds immense potential. It is also our mission to grow old alongside our customers – standing by them as their needs evolve, just as we always have.

Together, these initiatives underscore our broader strategic ambition: to evolve from a provider of home furnishings into a trusted lifestyle partner that grows alongside our customers across the arc of their lives.

Our marketing efforts remained agile and customer-centric too. As digital platforms became increasingly crowded, we diversified our outreach, exploring offline touchpoints where our brand voice could stand out more prominently. Campaigns such as “Most Fitting Small Space in HK” (最Fit香港小小空間) reinforced our core positioning: “Small Space • Big Universe.” Our eShop and physical stores worked in synergy, offering customers the convenience of digital discovery and the assurance of in-person experience – a critical advantage in the furniture category.

Beyond commercial performance, we demonstrated our unwavering commitment to community. In the wake of the devastating fire at Wang Fuk Court, Taipo, we provided immediate, targeted support to affected residents, donating essential goods valued at over HK\$1.3 million in close collaboration with trusted NGO partners. This endeavour embodies our identity as a proudly local brand that gives back meaningfully to the community we serve.

Amid a challenging retail landscape, Pricerite consistently outperformed the broader market, surpassing industry sales figures in the Furniture and Fixtures sector for most of the time during the year. This track record underscores our growing market share and competitive strength – a foundation upon which we are confident to build sustainability and leadership. In the coming years, we are dedicated to building trust amongst our customers with top quality customer service and product quality assurance.

# CHAIRMAN'S LETTER

Turning to our financial services arm, CFSG, 2025 was a year of strategic advancement in a dynamic and technology-driven environment. Hong Kong's financial services sector continued to thrive as an international hub, and CFSG positioned itself at the forefront of innovation. We launched Quantphemes, Hong Kong's pioneering AI-powered quantitative trading platform, democratising access to advanced algorithmic trading tools for retail and professional investors alike. This initiative earned us industry recognition, including the ET Net "Financial Tech Awards" for Outstanding Artificial Intelligence Algorithm Trading Platform.

In our wealth management division, we pursued a deliberate strategy of deepening client relationships by expanding the scope of our Family Office services. Rather than offering discrete products, we are building an integrated platform designed to address clients' needs across the entire wealth lifecycle spanning asset protection, wealth accumulation, global diversification to next-generation education. This strategic pivot culminated in the expansion of our 3I (Investment, Insurance & Immigration) services, laying the groundwork for a dedicated Immigration & Education Centre that will serve as a key differentiator in serving high-net-worth families.

To better connect the investment landscape between Hong Kong and Mainland China, we have established a solid on-the-ground presence with offices in Shenzhen, Shanghai, and Qingdao. By strategically positioning ourselves within the Greater Bay Area, the Yangtze River Delta, and the Jing-Jin-Ji region, we are uniquely equipped to serve both local clients and those seeking access to Mainland China's three core economic engines.

Concurrently, our capital markets capabilities were reinforced through selective participation in high-profile IPOs, enhancing our credibility and network within the broader financial ecosystem.

Complementing these efforts, we made targeted investments in digital engagement to extend our brand presence across Greater China. The resulting growth in our social media following – particularly on platforms such as Xiaohongshu and Douyin – reflects not merely marketing success, but a strategic expansion of our reach into key demographic segments, positioning us to capture a larger share of the wealth management market in the years ahead.

In our algo trading business, CAFG, we continued to demonstrate strategic discipline. The CASH Prime Value Equity Fund delivered a 35% return in 2025, outperforming the Hang Seng Index and achieving a cumulative gain of 58% since its inception in September 2022. We strategically expanded its mandate to include stock lending, derivatives, and futures, broadening income sources and enhancing risk management flexibility.

Meanwhile, the CASH Multi Strategy Fund faced temporary dislocations amid trade tensions and geopolitical disruptions but recovered in the latter half of the year as markets adjusted. We remain confident in its role as a strategic hedge within a broader portfolio context, offering low correlation to broader market volatility and traditional asset classes.

We also made significant strides in product innovation, advancing a new thematic strategy focused on virtual assets, leveraging our quantitative research capabilities and AI-driven analytics. This initiative positions us to capture emerging growth opportunities in alternative investments, aligning with our long-term objective of diversifying our product offerings.

## **Looking to the Future**

Through it all, we remained guided by a philosophy that combines the "human touch" with AI-driven efficiency. We believe that in an increasingly digital world, genuine relationships, trust, and personalised service remain irreplaceable differentiators.

Across the Group, our outlook for 2026 and beyond is one of cautious optimism and confident execution. Hong Kong's economy is showing signs of gradual recovery, with real GDP growth, resurgent capital markets, and robust IPO fundraising momentum. We expect to benefit from increased housing supply – both public and private – and a rebound in consumer sentiment. Our proactive strategic measures, including the expansion of TMF and Creations, the integration of AI-powered tools, and the continuous enhancement of our supply chain and customer service protocols, have placed us on a solid footing to capture these opportunities.

# CHAIRMAN'S LETTER

Our long-term goals are clear: to secure our leading position in tailor-made furniture for the mass market housing, to deepen our wealth management presence across Greater China serving our clients with global asset allocation, and to further embed AI and data-driven capabilities across our businesses. We will continue to invest in innovation, operational excellence, and customer-centric strategies that differentiate us from competitors and create sustainable value for our shareholders.

Last but not least, I would like to extend my deepest gratitude to our dedicated management team and the whole staff for their resilience and hard work. I also thank our shareholders, customers, and partners for their continued trust and support.

The strategic decisions we made in 2025 were not merely about navigating a difficult year – they were about building a stronger, more agile, and more resilient Group. We have emerged not just intact but enhanced. I am confident that the whole Group is now well positioned to reap the benefits of the gradual economic recovery and navigate future economic uncertainty with a disciplined and measured approach.

Together, we are building a Group that does not merely endure – but endures to win.

Yours sincerely,



**Dr Bankee P. Kwan, BBS, JP**  
*Chairman & CEO*

# FINANCIAL REVIEW

## FINANCIAL PERFORMANCE

For the year ended 31 December 2025, the Group recorded revenue and net loss attributable to owners of the Company of HK\$767.4 million and HK\$52.8 million, respectively, as compared to revenue of HK\$883.7 million and net loss attributable to owners of the Company of HK\$58.3 million, respectively, for 2024. The decrease in revenue was mainly attributable to decrease in revenue from retail business.

### Retailing Business – PRICERITE GROUP

The Hong Kong retail sector navigated a turbulent first half of the year, as macroeconomic headwinds, subdued local consumer sentiment and intensifying global tension. In the first half of 2025, Hong Kong's retail sector saw a year-on-year sales decline, as consumers prioritised essentials and cost-effective alternatives in response to global economic fluctuations and cautious sentiment. Retail sales in the first half of 2025 reached HK\$185 billion, representing a 3.3% decline in sales value and a 4.7% drop in sales volume as compared to 2024. The furniture sector experienced a 18.9% decline in sales value, partly due to a high base effect from 2024's surge tied to the proposed municipal solid waste charging scheme.

The Hong Kong retail sector regained growth momentum in the second half of 2025, driven by an overall improvement in consumption sentiment which was fueled by a solid rebound in inbound tourism along with prosperous stock market performance and stabilised property market. Overall retail sales value stabilized and delivered modest full-year growth of 1.0%, reaching a provisional total of HK\$380.5 billion versus the previous year's decline. This marked a modest recovery from the previous year's decline. The final quarter of 2025 showed improving sentiment, with year-over-year increases exceeding 6% in the fourth quarter of 2025. However, certain sub-categories of the retail sectors continued to face shaky demand, in particular, the motor vehicles and parts and the furniture and fixture category.

In response to ongoing market challenges, Pricerite Group continued to implement strategic initiatives to strengthen operational resilience. These efforts focused on targeted promotions, enhanced inventory and logistics optimisation, improved sourcing capabilities and optimised cost structure and store network.

For the year ended 31 December 2025, Pricerite Group recorded revenue of HK\$698.8 million and a net loss of HK\$10.3 million as compared to a revenue of HK\$831.0 million and a segment loss of HK\$10.2 million for the retailing segment in 2024. The revenue decline was primarily attributable to subdued market sentiment and the optimisation of underperforming stores during the first half of 2025. As the strategic initiatives took effect, Pricerite Group successfully stabilised its performance and regained growth momentum in the second half of 2025, aligning with the broader Hong Kong retail sector's U-shaped recovery driven by rebounding inbound tourism, improving consumption sentiment, and supportive economic factors.

This turnaround demonstrates the Group's agility in adapting to headwinds through proactive cost management, operational efficiencies, and customer-focused enhancements, positioning it for more sustainable performance in the evolving retail landscape.

### Investment Management Business – CAFG

Our investment management business delivered solid performance, reporting revenue of HK\$20.2 million and a net profit of HK\$3.4 million for the year ended 31 December 2025 as compared to revenue of HK\$6.9 million and a net profit of HK\$10.4 million in 2024. The Group's investment management business recorded exceptional growth in 2025. Heightened geopolitical tensions contributed to increased volatility across global equity and commodity markets, creating opportunities for CAFG's actively managed funds to capture alpha through disciplined investment strategies. Consequently, revenue from investment management services rose substantially by higher assets under management and performance fee income. This robust performance underscored the success of CAFG's active management approach and the resilience of its investment strategies in navigating a complex market environment.

# FINANCIAL REVIEW

## **Other Financial Services Business – CFSG (excluding investment management business through CAFG)**

Hong Kong's capital markets experienced a strong rebound in 2025, with trading volumes and fundraising activities rising significantly, reaffirming the city's position as a leading global IPO hub. The average daily turnover of the securities market nearly doubled to HK\$249.8 billion, driving an increase in broking income from HK\$11.8 million to HK\$16.8 million. CFSG reported revenue of approximately HK\$48.5 million, representing an increase from the previous year's HK\$45.7 million. Key revenue streams included broking income of HK\$16.8 million (2024: HK\$11.8 million), wealth management services of HK\$16.5 million (2024: HK\$6.6 million), interest income of HK\$12.5 million (2024: HK\$22.8 million), and handling and other services of HK\$2.7 million (2024: HK\$4.5 million). The strong performance of CFSG's wealth management and family office businesses reflected continued expansion in key Mainland China regions and enhancement of product offerings, demonstrating the effectiveness of CFSG's strategy to strengthen its wealth management platform across key markets.

### **Impairment Allowances**

Impairment allowance mainly consisted of provision for credit losses on accounts receivables arising from margin financing and loans receivables, the Group performs impairment assessment on these financial assets under the impairment framework and methodology of expected credit loss ("ECL") model established by the Group in accordance with HKFRS 9 "Financial Instruments".

To minimise the credit risk on accounts receivables arising from margin financing and loans receivable, the Credit and Risk Management Committee is responsible for reviewing credit and risk management policies, approving credit limits and to determining any debt recovery actions on delinquent receivables. The assessment is based on close monitoring, evaluation of collectability and on management's judgement, including but not limited to ageing analysis of receivables, the current creditworthiness, account executives concentration analysis, collateral distribution and concentration analysis and the past collection history of each client, and consideration of forward looking factors. In this regard, the directors of the Company consider that the Group's credit risk is maintained at an acceptable level.

The accounts receivables arising from margin financing are collateralised by pledged shares of margin clients. As at 31 December 2025, the Group had concentration of credit risk on the accounts receivables from margin clients as the aggregate balances with the five largest clients represent approximately 66.2% (2024: 61.0%) of total accounts receivables from margin clients. During the year, margin financing with the total gross carrying amount of approximately HK\$26.7 million as at 31 December 2025 (2024: HK\$80.3 million) was assessed as credit-impaired mainly due to further decline in the market price of listed securities pledged as collateral in the year and failure of the margin borrowers to fully make up the margin shortfall by providing additional collaterals or repayment. Additional impairment provision with a total amount of approximately HK\$0.04 million (2024: HK\$0.5 million) was made for the year.

For credit-impaired accounts receivable from margin clients, management performs individual assessment for each client by considering various factors, including the realisable value of securities or collateral from clients which are held by the Group and subsequent settlement actions.

During the year ended 31 December 2025, the Group writes off loan receivable amounting to HK\$1.24 million (2024: nil) when there was information indicating that the debtor was in severe financial difficulty and there was no realistic prospect of recovery, such as when the debtor was placed under liquidation or entered into bankruptcy proceedings. The Group has taken legal action against the debtors to recover the amount due.

The Group has debt recovery procedures in place. For any loans with shortfall and/or overdue payments, demand letters and/or legal letters will be issued. If the borrower does not respond, the Group may engage external legal advisors for legal actions. At the same time, the Group will contact the borrower for additional collateral and/or settlement plan. The Group may also engage debt collection agents for such loan where appropriate. If the negotiation is not successful, or additional collateral is not sufficient or default in settlement plan, external legal advisers will issue final warning to the borrower. Subsequently, writs of summon will be served to the borrower to take proceedings to court.

# FINANCIAL REVIEW

## **Liquidity and Financial Resources**

The Group's equity attributable to owners of the Company amounted to HK\$14.2 million as at 31 December 2025 as compared to HK\$53.0 million at the end of the previous year. The decrease in equity was mainly due to net loss reported for the year. As at 31 December 2025, the Group had total outstanding borrowings of approximately HK\$269.3 million as compared to HK\$259.2 million as at 31 December 2024. The increase in borrowings was mainly due to the issue of convertible bonds during the year. The borrowings were mostly denominated in Hong Kong dollars comprising unsecured loans of approximately HK\$112.8 million and secured loans of approximately HK\$156.5 million. The above bank loans of approximately HK\$156.5 million were secured by the Group's pledged deposits of HK\$30.0 million and corporate guarantees. As at 31 December 2025, our cash and bank balances totalled HK\$190.5 million as compared to HK\$169.3 million at the end of the previous year. The decrease in cash and bank balances was mainly due to bank balances operating loss incurred during the year. The Group derives its revenue mainly in Hong Kong dollars and maintains its cash and bank balances mainly in Hong Kong dollars. The liquidity ratio as at 31 December 2025 was at 1.0 times, as compared to 1.0 times as at 31 December 2024. The gearing ratio, which represents the ratio of interest bearing borrowings excluding lease liabilities of the Group divided by the total equity, was 547.8% as at 31 December 2025 as compared to 269.7% as at 31 December 2024. The increase in gearing ratio was mainly due to the loss incurred during the year. On the other hand, we have no material contingent liabilities at the end of the year. The Group's treasury policies are to secure healthy liquidity for running its operations smoothly and to maintain a sound financial position at all time throughout the year. Besides meeting its working capital requirements, cash balances and bank borrowings are maintained at healthy levels to meet its customers' investments needs while making sure all relevant financial regulations have been duly complied.

## **Foreign Exchange Risks**

The Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches at the end of the year.

## **Material Acquisition and Disposals**

During the year, CASH Trinity Bullion Limited (a wholly owned subsidiary of the Company held through CASH Financial Service Group Limited ("CFSG"), a 64.78% owned listed subsidiary of the Company) redeemed its investment in CASH Prime Value Equity OFC (the "Fund") at an aggregate redemption proceeds of approximately HK\$16 million. Upon completion of the redemption, the Fund is ceased to be a subsidiary of each of the Group and the CFSG and its subsidiaries ("CFSG Group") and will be accounted for as financial assets at fair value through profit or loss in the financial statements of each of the Group and the CFSG Group. Details of the redemption was disclosed in the joint announcement of the Company and CFSG dated 18 August 2025.

## **Fund Raising Activities**

### *Convertible Bonds*

On 10 June 2025, the Company entered into subscription agreements with individual and corporate subscribers in relation to the issue of convertible bonds ("GM Convertible Bonds") under general mandate ("GM Subscription") in an aggregate principal amount of HK\$20,000,000 at an initial conversion price of HK\$1.25 per conversion share. Upon the full conversion of the GM Convertible Bonds, the GM Convertible Bonds will be converted into a total of 16,000,000 shares of the Company. The maximum aggregate nominal value of the conversion shares under the GM Convertible Bonds is HK\$3,200,000.

# FINANCIAL REVIEW

On the same date, the Company also entered into a conditional subscription agreement with Cash Guardian Limited ("Cash Guardian"), a controlling shareholder of the Company and is beneficially owned by Dr Kwan Pak Hoo Bankee (chairman, chief executive officer and executive director of the Company), pursuant to which Cash Guardian has conditionally agreed to subscribe and the Company has conditionally agreed to issue the convertible bonds ("SM Convertible Bonds") under specific mandate ("SM Subscription") in an aggregate principal amount of HK\$20,000,000 at an initial conversion price of HK\$1.25 per conversion share. Upon the full conversion of the SM Convertible Bonds, the SM Convertible Bonds will be converted into a total of 16,000,000 shares of the Company. The maximum aggregate nominal value of the conversion shares under the SM Convertible Bonds is HK\$3,200,000.

The net price per conversion share of both of the GM Convertible Bonds and the SM Convertible Bonds, which is calculated by dividing the aggregate net proceeds by the

maximum number of the conversion shares based on the initial conversion price, is approximately HK\$1.25.

The Directors consider that the GM Subscription and the SM Subscription will strengthen the financial position of the Group and support the business development of the Group.

The Company intends to utilise all the net proceeds from the subscriptions as general working capital towards the operation of the retailing business of the Group covering rental expenses, staff salaries, utilities expenses and other operating expenses, thereby strengthening the Group's financial position and supporting its business development. The net proceeds from the GM Subscription and the SM Subscription were fully utilised as of 31 December 2025.

The table below demonstrates the breakdown and description of the utilisation of the net proceeds from the GM Subscription and the SM Subscription:

HK\$' million

General working capital:

|   |       |
|---|-------|
| 1. Staff salaries and utilities expenses  | 24.4  |
| 2. Other operating expenses including distribution costs, administrative expenses and etc | 15.6  |
|   | <hr/> |
|   | 40.0  |

The GM Subscription was completed on 19 June 2025 and the SM Subscription was completed on 8 August 2025 subsequently.

Details of the subscriptions were disclosed in the announcements of the Company dated 10 June 2025, 19 June 2025 and 8 August 2025 and the circular of the Company dated 11 July 2025.

## **Capital Commitment**

The Group did not have any material outstanding capital commitment at the end of the year.

## **Material Investment**

The market value of financial assets at FVTPL decreased from HK\$46.1 million as at 31 December 2024 to approximately HK\$27.2 million as at 31 December 2025. A net gain on financial asset at FVTPVL of HK\$13.1 million (2024 HK\$23.1 million) was recorded for the year. We do not have any future plans for material investments, or addition of capital assets.

# FINANCIAL REVIEW

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

### Revenue

| (HK\$'m)                 | 2025         | 2024  | % change |
|--------------------------|--------------|-------|----------|
| Retailing                | <b>698.8</b> | 831.0 | (15.90%) |
| Investment management    | <b>20.2</b>  | 6.9   | 192.75%  |
| Other financial services | <b>48.4</b>  | 45.7  | 5.91%    |
| <b>Group Total</b>       | <b>767.4</b> | 883.6 | (13.15%) |

### Key Financial Metrics

|   | 2025            | 2024    | % change  |
|---|-----------------|---------|-----------|
| <b>The Group</b>  |                 |         |           |
| Loss for the year attributable to owners of the Company (HK\$'m)        | <b>52.8</b>     | 58.3    | (9.43%)   |
| Loss per share (HK cents)   | <b>65.37</b>    | 72.18   | (9.43%)   |
| Total assets (HK\$'m)   | <b>1,041.8</b>  | 1,031.7 | 0.98%     |
| Bank balances and cash (HK\$'m)   | <b>190.5</b>    | 169.3   | 12.52%    |
| Borrowings (HK\$'m)   | <b>269.3</b>    | 259.2   | 3.9%      |
| <b>Retailing</b>  |                 |         |           |
| Revenue per sq.ft. (HK\$)   | <b>3,578.0</b>  | 3,849.0 | (7.04%)   |
| Growth for same stores (vs last year)                                   | <b>(10.80%)</b> | (1.1%)  | N/A       |
| Inventory turnover days   | <b>19.24</b>    | 20.6    | (6.60%)   |
| <b>Investment management</b>  |                 |         |           |
| Net (loss)/gain of financial assets at FVTPL (HK\$'m)                   | <b>(1.7)</b>    | 21.3    | (107.98%) |
| <b>Other Financial Services</b>   |                 |         |           |
| Annualised average fee income from broking per active client (HK\$'000) | <b>1.8</b>      | 1.2     | 50.00%    |

# MANAGEMENT DISCUSSION AND ANALYSIS

## RETAIL MANAGEMENT BUSINESS – PRICERITE GROUP

### **Economic and Market Overview**

In 2025, Hong Kong's economy showed signs of gradual recovery amid lingering challenges from prior years. Overall retail sales for the full year recorded a modest increase of 1.0% in value compared to 2024. Although retail performance gained momentum in the latter part of the year, the sluggish market was still influenced by northbound spending, overseas travel by residents, and subdued consumer confidence due to geopolitical tensions and geo-economic fragmentation.

The furniture and fixtures segment remained under significant pressure as a discretionary category sensitive to economic conditions. Sales in this segment declined by 13.9% for the full year 2025. This sharper downturn relative to the broader retail sector was driven by high interest rates persisting into parts of the year, a softening property market with ongoing valuation adjustments, reduced consumer confidence in big-ticket purchases, and cautious household budgeting in compact living environments.

### **Business Review**

Despite the broader retail sector's modest recovery and the furniture segment's notable decline for the year, Pricerite demonstrated resilience and strategic adaptability, focusing on our core strengths in providing total home solutions and expanding on our range of customisable, space-efficient offerings tailored to Hong Kong's compact living environments.

We proactively addressed market dynamics by implementing rigorous cost controls, closing underperforming stores to enhance operational efficiency, and exploring new revenue streams through revitalised product lines.

A pivotal highlight was the launch of Creations, a dedicated brand offering tailor-made furniture and renovation services specifically for public housing customers. This initiative aligned seamlessly with government efforts to increase housing supply speed and quality, and improving living environments. With its more accessible price point, Creations not only appealed strongly to the public housing segment but also captured meaningful demand from increasingly cost-conscious private housing customers, who valued the combination of attractive pricing and the assurance of Pricerite's established local brand trust versus smaller players or non-local competitors.

Our TMF and Creations segment emerged as a standout performer, achieving record sales levels and serving as a key growth engine, underscoring the effectiveness of our integrated "total home solutions" model. This approach, which combines tailor-made furniture and value-added renovation services, helped customers solve household and space management challenges, particularly in the new housing markets.

Marketing and branding efforts remained robust and customer-centric, leveraging digital channels such as Facebook, WhatsApp, and social media to drive engagement. We continually optimised our marketing investment by channel to match evolving market behaviour; as digital platforms become increasingly crowded and customers grow less responsive to mainstream online advertising, we also explored innovative alternatives – including offline touchpoints – where our share of voice can be more prominent and advertising ROI further enhanced. Thematic campaigns like "Most Fitting Small Space in HK" (最Fit香港小小空間) for small-space solutions further solidified our standing and reinforced our core brand value and positioning, "Small Space • Big Universe".

During the year, Pricerite revamped the Custom-Made Furniture (任意改) series – first of its kind in Hong Kong allowing full alterations to size, colours, interiors (such as shelving layouts, drawers, or (compartments), and accessories – primarily to move beyond the limitations of traditional mass-produced, one-size-fits-all pieces that often leave awkward gaps, fail to match personal style, or suit unique room dimensions, instead empowering customers to create perfectly fitting, personalised space management solutions that harmonise with their spaces and lives for long-term customer satisfaction.

During the year, in alignment with the government's policy to support the silver market, we proudly launched our new "Silver Living" (銀優生活) line, a collection designed specifically for elderly customers seeking to maintain their independence, reinforcing our brand commitment to enabling safe and comfortable living at home. Resonating deeply with this demographic, the range achieved high engagement rates by addressing the nuanced needs of ageing in place. With a dedicated mission to growing alongside our customers, further building brand loyalty, we meticulously designed and developed thoughtful household and furniture solutions. Through this initiative, we successfully championed a future where our customers can thrive in the comfort and familiarity of their own homes, avoiding the need for institutional care.

# MANAGEMENT DISCUSSION AND ANALYSIS

Demonstrating our core principle of being “People-oriented,” Pricerite also extended immediate and compassionate support to the residents directly affected by the devastating fire at Wang Fuk Court, Taipo. Through close collaboration with trusted NGO partners on the ground, we ensured that our aid was precisely targeted to meet the urgent needs of the displaced individuals and families. Our assistance comprised essential goods in kind, with a total value exceeding HK\$1.3 million, donated to provide practical relief and comfort during this crisis. This endeavour embodies our unwavering commitment to being a people-centric and proudly local brand, dedicated to giving back to the Hong Kong community and delivering meaningful, direct support where it is most needed.

Our eShop channel complemented our offline presence effectively, with e-commerce and our store network working hand in hand to create sales synergies. Our offline presence allows customers to experience product quality first-hand, building confidence and trust – particularly for furniture, which typically involves higher ticket sizes and longer product lifecycles. In parallel, our eShop supports product discovery and an “endless aisle” that broadens choice beyond in-store assortments, while providing a convenient way to close purchases for customers who prefer to check out and manage orders independently. We also extended our reach through new roadshows and pop-up stores targeting new housing intakes, while store localisation strategies optimised product offerings and performance by location. Supply chain management was refined to improve inventory turnover, product assortment, and quality control, contributing to better customer service and profitability.

Throughout the year, Pricerite reinforced its brand positioning as a trusted Hong Kong provider of quality, high-value home solutions, emphasising “human touch” in customer service as a differentiator against pure-play e-commerce competitors. Awards for service excellence and quality, such as the Quality Service Retailer of the Year – Home and Living Products Category from the Hong Kong Retail Management Association, and Sing Tao Service Awards, further bolstered consumer trust, positioning us as a reliable partner for everyday needs. These efforts, combined with a focus on the “stay-at-home economy,” enabled gradual stabilisation in key metrics, such as same-store sales, despite the tough market conditions.

Overall, 2025 was a year of strategic navigation, as we smoothly contended with structural retail challenges while investing in targeted innovations and operational streamlining. Our proactive measures not only mitigated downside risks but also laid a solid foundation for recovery, demonstrating our commitment to resilience and long-term value creation.

## **Outlook**

Looking ahead to 2026 and beyond, Pricerite is well-positioned to capitalise on emerging opportunities in Hong Kong’s evolving retail landscape, including anticipated rebounds in consumer sentiment and increased housing supply – both public and private. We will continue to adopt a proactive, customer-centric approach, integrating our established capabilities with innovative technologies to drive sustainable growth and maintain our competitive edge.

Over the past year, Pricerite consistently outperformed the broader retail market, surpassing industry sales figures in the Furniture and Fixtures sector for 9 out of 12 months. This strong track record highlights our growing market share and competitive strength. As we look ahead, we are confident that this momentum will enable us to capitalise on a less crowded local landscape, paving the way for enhanced profitability and sustained leadership in the industry.

Central to our strategy is the development plan for TMF and Creations, with 2026 focused on foundation building and capability enhancement. This includes deploying AI-powered tools for sales efficiency, upgrading customer service protocols, and revamping our store network. We aim to achieve aggressive growth by leveraging new housing data with the long-term goal of securing the No. 1 market share in tailor-made furniture for public housing.

We will further enhance operational excellence through supply chain revamps, emphasising data-driven decisions for consumer behaviour analysis, inventory planning, and marketing precision.

In conclusion, we remain steadfast in our mission to provide solutions that are quality assured and highly functional, addressing the specific needs of urban homes with a renowned focus on space management, all without sacrificing style and affordability. By anticipating challenges, investing in innovation, and delivering genuine value through our total home solutions model, we are committed to not only weathering the current environment but also thriving as a market leader.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ALGO TRADING BUSINESS – CAFG

### **Economic and Market Overview**

The Hang Seng Index rose 27.8% to close at 25,630.54 in 2025, marking its strongest annual gain since 2017. The year represented a decisive recovery for Hong Kong's capital markets, driven by a broad-based equity rally and the market's reinforced role as a critical bridge between Chinese issuers and global investors.

Fundraising activity more than doubled compared with 2024, supported by a strong pipeline of A+H listings and sustained investor demand for exposure to Chinese enterprises. Continued regulatory tensions between the U.S. and China cast uncertainty over the long-term viability of Chinese ADRs, prompting more companies to choose Hong Kong as their preferred listing destination. This structural shift in capital flows is expected to support further expansion of Hong Kong's IPO market in the coming years.

In commodities, escalating tariffs and trade frictions fuelled a flight to safe havens. Gold rose 65% to exceed USD4,500 per ounce, while silver posted its highest annual gain on record, rising 1.4x amid tightening supply and strong industrial demand. Base metals such as copper experienced a volatile upward trend, buoyed by supply shortages and demand linked to AI-related data centres and green infrastructure. These movements reflected not only fundamental imbalances but also heightened demand for liquidity and risk mitigation assets.

### **Business Review**

Our strategic focus in fund management continued to demonstrate resilience. Together with our asset management arm, we manage an equity fund and a multi-strategy fund.

The CASH Prime Value Equity Fund, a long-only equity strategy integrating fundamental research with quantitative screening, delivered a 35% return in 2025, outperforming peers and the Hang Seng Index. Concentrated exposure to high-growth consumer, technology, and financial stocks contributed meaningfully to performance. Since its inception in September 2022, the Fund has achieved a cumulative gain of 58%.

The CASH Multi Strategy Fund, a dollar-neutral commodity arbitrage strategy, experienced its largest drawdown since launch. Market dislocations stemming from trade tensions, tariff retaliation, and geopolitical disruptions led to extreme price distortions in metals futures. The Fund recovered part of its losses in the latter half of the year as markets adjusted to new trading ranges.

### **Business Development**

During the year, we made significant progress in product innovation and operational enhancement.

The investment mandate of the CASH Prime Value Equity Fund was strategically upgraded to include stock lending, derivatives, and futures. These enhancements are expected to broaden income sources and improve risk management flexibility during volatile periods.

We also advanced the development of a new thematic strategy focused on virtual assets, leveraging our quantitative research capabilities and AI-driven analytics. This initiative aligns with our long-term objective of diversifying our product offerings and capturing emerging growth opportunities in alternative investments.

On the distribution front, we strengthened collaboration with our sales force through structured training, product workshops, and client-focused sessions. We strengthened partnerships with external distributors and continued to explore digital channels to broaden our investor base, particularly family offices and high-net-worth clients.

### **Outlook**

Following a robust recovery in 2025, we expect markets to shift from rebound to sustained expansion, supported by capital inflows, improving corporate earnings, and technological advances. Ongoing listing regime reforms and capital market initiatives are expected to reinforce Hong Kong's position as the premier gateway for companies seeking international capital. With over 350 IPO applications submitted by year-end, the 2026 IPO fundraising volume is projected to reach HKD350 billion, surpassing 2025 levels.

Hong Kong equities are expected to remain on an upward trajectory in 2026, supported by accommodative policy, strong IPO momentum, and earnings growth – particularly in technology. The CASH Prime Value Equity Fund is well-positioned to capture these opportunities, with its expanded mandate and data-driven approach supporting flexible portfolio management.

In global commodities, macro conditions favour continued strength in precious metals. Expected U.S. Federal Reserve rate cuts, a softer U.S. dollar, and persistent geopolitical uncertainty will spark interest in holding gold and silver. Meanwhile, China's supportive fiscal and monetary stance is expected to further drive metal demand.

# MANAGEMENT DISCUSSION AND ANALYSIS

Against a backdrop of geopolitical fragmentation and shifting global economic power, diversified exposures across geographies, currencies, and asset classes will be increasingly critical. The CASH Multi Strategy Fund, with its low correlation to traditional asset classes, remains an attractive tool for stable returns and portfolio diversification.

In 2026, we aim to expand the integration of virtual assets in our portfolio strategies and advance the development of our dedicated virtual asset fund. Operationally, we will continue to embed AI technologies into research, trading strategy development, and risk management workflows. This dual focus on innovation and disciplined execution positions the Group to strengthen its competitive advantage, support sustainable growth, and deliver long-term value for our investors.

## OTHER FINANCIAL SERVICES BUSINESS – CFSG

### **Economic and Market Overview**

In 2025, the Hong Kong economy demonstrated resilience amid global uncertainties, achieving a real GDP growth of 3.5%, supported by robust merchandise exports, a moderate recovery in investments, and government stimulus measures focused on fintech, green finance, and infrastructure development. As a cornerstone of the economy, the financial services sector continued to thrive as an international financial hub, ranking third in the Global Financial Centres Index. The sector benefited from ongoing digital transformation, with the Hong Kong Monetary Authority's "Fintech 2025" strategy driving adoption of advanced technologies, including AI, distributed ledger technology, and virtual assets.

However, challenges persisted, including geopolitical tensions, tariff escalations, and a vulnerable property market, which subdued demand for trade financing and pressured credit quality in exposed industries. Despite these headwinds, Hong Kong staged a decisive recovery to reclaim the top global position for capital raising for the first time since 2019, raising HK\$285.8 billion from 119 new listings, underscoring Hong Kong's role as a gateway for capital flows.

Hong Kong-domiciled funds recorded net inflows of US\$46.9 billion in the third quarter alone. Total assets under management (AUM) increased by 35.9% year-on-year to HK\$2.27 trillion, reflecting sustained investor confidence and market recovery. In the first three quarters of 2025, total gross insurance premiums increased by 32.5% year-on-year to HK\$637 billion, primarily driven by strong growth in long-term business, which saw revenue premiums from in-force policies rise by 36.6% to HK\$554.1 billion. This represents a significant acceleration from the 12.2% growth in the same period of 2024, supported by robust demand from mainland visitors, high-net-worth individuals, and overall economic activity.

### **Business Review**

In 2025, CFSG exhibited strong resilience in a dynamic financial services environment marked by technological disruption and economic headwinds. We focused on innovation, customer-centric strategies, and operational efficiency to drive growth. This performance was underpinned by targeted investments in digital transformation which amplified our market presence and client engagement.

A key milestone was the launch of Quantphemes, Hong Kong's pioneering AI-powered quantitative trading platform, designed to democratise access to advanced algorithmic trading tools for retail and professional investors. This initiative not only expanded our fintech footprint but also garnered industry recognition, including the ET Net "Financial Tech Awards" for "Outstanding Artificial Intelligence Algorithm Trading Platform," affirming our innovation in AI-driven solutions. Additionally, our Deputy Chief Executive Officer, Mr Jeffrey Kwan, was honoured as a "Forbes China Emerging Innovative Entrepreneur," highlighting our leadership in financial innovation and industry development.

In wealth management, the Family Office expanded its 3I services (Insurance, Investment, Immigration), achieving record Q1 insurance premiums and preparing for the launch of an Immigration & Education Centre in the second half. The Company also acted as Joint Bookrunner for the Green Tea Group and Jiaxin International Resources IPOs, demonstrating capital markets expertise.

# MANAGEMENT DISCUSSION AND ANALYSIS

To elevate brand awareness, we employed multifaceted strategies, including active engagement on mainstream social media platforms such as Facebook and IG. On these platforms, our activities focused on building community and promoting services through professional content. More broadly, we optimised online content and social media platforms with investment education, product insights, and market analyses delivered via short videos and graphics, achieving high engagement through data-driven optimizations.

Our CASH Family Office saw remarkable growth in digital visibility, with follower increases of 2,774% on Xiaohongshu (RedNote) and 3,603% on Douyin (TikTok), underscoring enhanced market influence and target audience reach. Other marketing efforts, including media coverage, industry events, and award promotions, bolstered credibility, while customer experience enhancements – such as streamlined service processes, ongoing education, and communication – fostered loyalty and organic referrals.

Marketing initiatives extended to strategic partnerships and community events, co-hosting lectures with professional institutions to broaden client acquisition. We maintained consistent brand identity across all touchpoints, reinforcing recognition in wealth management and family office services. These efforts complemented our core offerings in asset protection, wealth appreciation, inheritance planning, and family potential development, tailored for high-net-worth individuals.

Operationally, we prioritised agility to address challenges like tariff impacts and market volatility, refining supply chain equivalents in client onboarding and risk management. Customer satisfaction remained high, with proactive feedback mechanisms and personalised services contributing to strong retention rates. Despite sector-wide pressures, our focus on the “human touch” alongside AI integration differentiated us from pure digital competitors, enabling gradual improvements in key metrics like client acquisition and assets under management.

Overall, 2025 was a year of strategic advancement for CFSG, as we mitigated external risks through innovation and client-focused adaptations, solidifying our position as a trusted fintech and wealth management provider in Hong Kong.

## **Outlook**

Looking to 2026 and beyond, CFSG is poised to capitalise on Hong Kong’s evolving fintech ecosystem, including anticipated growth in AI applications, virtual assets, and sustainable finance, amid economic expansion and continued regulatory support for innovation. We will deepen our commitment to the “Fintech 2025” framework by enhancing Quantphemes with advanced AI tools, aiming to capture a larger share of the retail and professional trading market.

Strategic priorities include expanding our family office services across Greater China, leveraging burgeoning opportunities in succession planning and portfolio diversification, while targeting high-net-worth inflows from immigration and talent schemes. We will invest in data analytics for personalised client experiences, cybersecurity enhancements, and operational resilience to counter geopolitical and economic uncertainties, such as tariff fluctuations and interest rate shifts.

Marketing efforts will continue to emphasise digital channels for broader reach, with functionality-focused campaigns on emotional themes like “Wealth Legacy” and “Family Prosperity,” timed around key festivals. Partnerships with banks and institutions will drive co-branded initiatives, while internal “action plans” ensure swift responses to market events.

In conclusion, as Hong Kong continues to thrive as the world’s preeminent Super Connector, CFSG is dedicated to establishing itself as a first-class, trusted partner for investment and wealth management. We strategically connect people, ideas, capital, and opportunities – driving the sustainable development of a better world. CFSG remains dedicated to empowering clients with innovative, reliable financial solutions. By anticipating challenges, embracing technology, and delivering exceptional value, we are committed to delivering long-term value for our stakeholders and upholding our commitment to exceptional customer service.

# EMPLOYEE INFORMATION

At 31 December 2025, the Group had 477 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the year under review was approximately HK\$154.1 million.

## BENEFITS

The Company and some of its subsidiaries provide employee benefits including mandatory provident fund scheme, medical insurance scheme, discretionary share options, performance bonus and sales commission for their staff. The Company also provides its employees in the PRC with medical and other subsidies, and contributes to the retirement benefit plans.

## TRAINING

The Group has implemented various training policies and organised a number of training programmes aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as product knowledge, customer service, selling techniques, presentation, communication, quality management, graduate development and also professional regulatory training programmes as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance ("SFO"), to attend the requisite training courses to fulfill/comply with the continuous professional training as prescribed in the SFO.

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures and rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

### **Bankee Pak-hoo KWAN, BBS, JP**

#### **Chairman, ED & CEO**

*DBA(Hon), MBA, BBA, FFA, FHKSI, CPM(HK), FHKIM*

Dr Kwan, aged 66, joined the Board on 9 March 1998. He is responsible for devising the overall business strategy of the Group. Dr Kwan has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. An MBA graduate from The Murdoch University of Perth, Australia and a BBA graduate from The Chinese University of Hong Kong, Dr Kwan was also conferred an Honorary Doctorate degree in Business Administration. Dr Kwan is also a fellow of the Institute of Financial Accountants, UK, the Hong Kong Securities and Investment Institute and the Hong Kong Institute of Marketing (HKIM). He is a Certified Professional Marketer (HK) of HKIM. He was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government and is a Justice of Peace (JP) of the HKSAR.

Dr Kwan is a firm believer in youth education and development. He is a John Harvard fellow of The Harvard University, US; a member of the Harvard University Asia Center Advisory Committee; a trustee of New Asia College of The Chinese University of Hong Kong; an honorary fellow of The Hong Kong Metropolitan University; a member of the Court of City University of Hong Kong, an Adjunct Professor of The Hang Seng University of Hong Kong, an honorary director of the Pan Sutong Shanghai-Hong Kong Economic Policy Research Institute (PSEI) and a member of the Advisory Board on Business Studies of Lingnan University of Hong Kong, and an advisory professor and an honorary member of the Board of Trustees of Nanjing University. Dr Kwan is also a school advisor of the LiPACE of The Hong Kong Metropolitan University and an honorary advisor of the Academy of Oriental Studies of Peking University.

In addition to education, Dr Kwan is also active in serving the community. Currently, he is a member of the 14th National Committee of the Chinese People's Political Consultative Conference (CPPCC); a standing committee member and vice convener (Hong Kong and Macao Members) of the 10th to 14th CPPCC, Shanghai Committee; the chairman of the Business Facilitation Advisory Committee (BFAC) and also the convener of the Wholesale and Retail Task Force (WRTF) of BFAC; the chairman of the Mandatory Provident Fund Schemes Advisory Committee (MPFSAC); the permanent honorary president and past

president of Federation of Hong Kong-Shanghai Associations; a member of the 5th Council of the China Overseas Friendship Association; a member of the Election Committee for the Fourth, the Fifth and the Sixth Term of the Chief Executive Election of the HKSAR; a director, an executive committee member, past honorary advisor and past chairman of the Hong Kong Retail Management Association (HKRMA); a member of the Securities and Futures Appeals Tribunal (SFAT); a member of the Process Review Panel for the Securities and Futures Commission; a member of the Labour Advisory Board of the HKSAR; a member of the Marketing Management Programme Advisory Committee of the Hong Kong Management Association (HKMA); a director of the Hong Kong Justice of Peace Association. Dr Kwan has also been a non-executive director of the MPF Authority, the deputy chairman of BFAC an honorary advisor of Hong Kong Small and Medium Enterprises Association, a member of the Central Policy Unit of the Government of the HKSAR and an honorary advisor of the CEPA Business Opportunities Development Alliance.

Dr Kwan was named "Entrepreneur of the Year" in the Asia Pacific Entrepreneurship Awards as organised by Enterprise Asia, which recognised his outstanding entrepreneurial success and significant contributions to economic life and society. Dr Kwan was named "Man of the Year for Leadership in Asia" by IAIR, the world's leading financial magazine. The annual IAIR Awards recognise outstanding professionals who actively promote excellences in innovation and sustainability. He was bestowed with the "World Outstanding Chinese Award" organised by World Chinese Business Investments Foundation, which recognised his great contribution to the global Chinese society. The Hang Seng University of Hong Kong also bestowed the "Junzi Entrepreneur Award" on Dr Kwan, recognising his continuous contribution to the society of Hong Kong.

Dr Kwan is the controlling Shareholder of the Company, a member of the Remuneration Committee and the chairman of the Nomination Committee. He is also an executive director, chairman and chief executive officer of CFSG, as well as a member of the remuneration committee and the chairman of the nomination committee of CFSG. He is the father of Mr Kwan Teng Hin Jeffrey (executive director of the Company, and executive director and deputy chief executive officer of CFSG) and Ms Kwan Iec Teng Janet (executive director of the Company, and executive director and deputy chief executive officer of Pricerite Group) respectively.

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## **Jeffrey Teng-hin KWAN**

### **ED**

*BA, MHKSI*

Mr Kwan, aged 36, joined the Board on 2 September 2019. He is in charge of corporate management and strategic investments of the Group. He has extensive experience in financial technology, corporate and strategic management, private equity and investment management. Mr Kwan received a Bachelor of Arts Degree in Psychology from the Johns Hopkins University, US. He is a member of the Hong Kong Securities and Investment Institute. He is the son of Dr Kwan Pak Hoo Bankee (the chairman, executive director and chief executive officer of the Company and CFSG) and the brother of Ms Kwan Iec Teng Janet (executive director of the Company, and executive director and deputy chief executive officer of Pricerite Group). Mr Kwan is also an executive director and deputy chief executive officer of CFSG.

## **Morton Tsz-yui CHEUNG**

### **ED & CFO**

*BBA, CPA*

Mr Cheung, aged 40, joined the Board on 20 June 2023. He oversees the finance and treasury function of the Group. He has extensive experience in the fields of auditing, financial reporting, investment banking and corporate finance. Mr Cheung received a Bachelor of Business Administration (Professional Accountancy) Degree from The Chinese University of Hong Kong. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr Cheung is also an executive director and chief financial officer of CFSG.

## **Janet Iec-teng KWAN**

### **ED**

*BA*

Ms Kwan, aged 32, joined the Board on 5 July 2024. She oversees the digitalization of the Group's retail business. She has extensive experience in the fields of brand management, digital marketing, advertising technology, and consulting. Ms Kwan was awarded in the "Women to Watch" list by Campaign Asia. Ms Kwan was formerly a Lead Associate Trading Director at The Trade Desk where she empowered brands and agencies to transform their traditional marketing efforts into effective, data-backed advertising strategies. Prior to that, Ms Kwan was a brand consultant in a strategic consultancy within the WPP group, developing data-driven brand strategies for Fortune 500 companies. Ms Kwan graduated magna cum laude and Phi Beta Kappa from Columbia University with a Bachelor of Arts in Financial Economics and double concentrations in Business Management and Psychology. She is the daughter of Dr Kwan Pak Hoo Bankee (the chairman, executive director and chief executive officer of the Company and CFSG) and the sister of Mr Kwan Teng Hin Jeffrey (executive director of the Company and executive director and deputy chief executive officer of CFSG). Ms Kwan is also a member of the Nomination Committee and the executive director and deputy chief executive officer of Pricerite Group.

## **INDEPENDENT NON-EXECUTIVE DIRECTORS**

### **Johnny Ka-kui LEUNG**

#### **INED**

*LL.B*

Mr Leung, aged 68, joined the Board on 25 October 2000. Mr Leung has extensive experience in the legal field and is the managing partner of a legal firm in Hong Kong. He is a qualified solicitor in Hong Kong, England & Wales and Singapore, and is a Notary Public and China Appointed Attesting Officer. Mr Leung received a Bachelor of Laws Degree (LL.B) from The University of London, UK. Mr Leung is also the chairman of the Audit Committee and the Remuneration Committee; and a member of the Nomination Committee.

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## **Chuk-yan WONG**

### **INED**

*MSc (Business Administration), BBA, CFA, CPA, CGA*

Mr Wong, aged 64, joined the Board on 3 June 1998. He has extensive investment management experience in the global financial markets. Mr Wong received a Master of Science Degree in Business Administration from The University of British Columbia, Canada and a Bachelor of Business Administration Degree from The Chinese University of Hong Kong. He is a Chartered Financial Analyst (CFA) charterholder and a Chartered Professional Accountant of Canada (CPA, CGA). Mr Wong is also a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

## **Hak-sin CHAN**

### **INED**

*PhD, MBA, BBA*

Dr Chan, aged 64, joined the Board on 25 October 2000. He has extensive experience in the academia in the US as professor, researcher and consultant in the fields of corporate finance and international marketing. Dr Chan is an associate professor in the Department of Marketing at The Hang Seng University of Hong Kong. Dr Chan received a Doctor of Philosophy Degree in Business, a Master of Business Administration Degree from The University of Wisconsin-Madison, US and a Bachelor of Business Administration Degree from The Chinese University of Hong Kong. Dr Chan is also a member of each of the Audit Committee and Nomination Committee.

## SENIOR MANAGEMENT

### **Angela Sze-kai WONG**

#### **Executive Director, CFSG**

*EMBA, BA, CFA*

Ms Wong, aged 58, joined the Group in February 2004. She leads the investment management business, including strategic and fund product development, to align with the Group's overall wealth management direction. She has over three decades of experience in financial services, focusing on investment and wealth management business in North America, Hong Kong, and Mainland China. Ms Wong received a Bachelor of Arts Degree from York University, Canada, and an Executive MBA Degree from Tsinghua University, China. She holds the Chartered Financial Analyst designation from the CFA Institute in the US. She is a responsible officer of CASH Asset Management Limited, CASH Wealth Management Limited and CASH Algo Finance Group Limited.

## **Daryl Wai-kwong LAI**

### **Executive Director, CFSG**

*MBA, BBA*

Mr Lai, aged 63, joined the Group in December 2023. He oversees the strategic and business development of the CFSG Group. He has extensive experience in marketing and general management, especially in the fields of wealth management and banking, and in both debt and equity capital markets in Hong Kong and Mainland China. He has also held senior management positions in international banks and an SFC-licensed financial institution of a Mainland State-owned Enterprise. Mr Lai received a Master of Business Administration Degree from Chaminade University of Honolulu, US, and a Bachelor of Business Administration Degree from University of Hawaii, US. He is a responsible officer of Celestial Securities Limited and CASH Wealth Management Limited.

## **Alfred Ka-chun MA**

### **Managing Director, CASH Algo Finance Group**

*PhD, MPhil, BSc, CIPM, ASA, PRM, CFA*

Dr Ma, aged 46, joined the Group in December 2021. He is in charge of research and development for algorithmic trading and data analytics. He has extensive experience in the field of financial engineering and algorithmic trading. Dr Ma received a Doctor of Philosophy Degree in Operations Research from the Columbia University, US, a Master of Philosophy Degree in Mathematics and a Bachelor of Science Degree in Mathematics from The Chinese University of Hong Kong. He is a holder of Certificate in Investment Performance Measurement from the CFA Institute, US, an associate of the Society of Actuaries, US and a Professional Risk Manager of The Professional Risk Managers' International Association, US. He is also a Chartered Financial Analyst and a responsible officer of CASH Wealth Management Limited, CASH Asset Management Limited and CASH Algo Finance Group Limited and Celestial Commodities Limited.

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## **Duncan Hau-ming IP**

### **Deputy Chief Operating Officer, TMF Group**

GBM

Mr Ip, aged 43, joined the Group in March 2018. He is in charge the overall business of TMF Group. He is responsible for the business development and operations of both TMF and Creations, which are part of the TMF Group. With his extensive experience in Hong Kong's retail market, Mr Ip is dedicated to developing the tailor-made furniture market in Hong Kong, aiming to align TMF's growth with the long-term development of the city's housing market. Mr Ip holds a Bachelor of Global Business Management Degree from the University of Central Lancashire, UK.

## **Packy Sui-pik YEUNG**

### **Chief Operating Officer, Pricerite Group**

MBA

Ms Yeung, aged 61, joined the Group in January 2003. She is responsible for the overall operations of Pricerite Group, including both back-office and frontline integration. She has over 30 years of proven solid experience in Hong Kong's retail market. Ms Yeung received a Master of Business Administration Degree from the Holmes Institute in Australia.

## **Tina Sijing GONG**

### **Chief Merchandising Officer, Pricerite Group**

MSc

Ms Gong, aged 43, joined the Group in April 2025. She oversees the merchandising and sourcing functions of Pricerite Group. She has extensive experience in global sourcing, product development, and cross-border e-commerce. Ms Gong holds a Master of Science Degree in Electronic Commerce and Internet Computing from The University of Hong Kong.

## **Boris Ting-pong TAM**

### **General Manager of iRetail, Pricerite Group**

BAS

Mr Tam, aged 44, joined the Group in May 2016. He is in charge of the e-commerce business of Pricerite Group. He has extensive experience in the fields of e-commerce and information technology. Mr Tam received a Bachelor of Applied Science Degree in Computing from Swinburne University of Technology, Australia.

## **Ada Suet-ping CHEUNG**

### **Company Secretary**

ACG, HKACG, FCPA, FCCA

Ms Cheung, aged 53, joined the Group in August 2021. She is in charge of the company secretarial matters of the Group. She has extensive listed company secretarial experience. She is an associate of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. In addition to taking the role as company secretary of the Company, Ms Cheung is also the company secretary of CFSG.

## **Carrie Chiu-mei LAW**

### **Director, Human Resources & Administration**

BBA, MHKIHHRM

Ms Law, aged 52, joined the Group in August 2001. She is in charge of the human resources and administrative functions of the Group. She has extensive experience in human capital management, including strategic human resources planning, talent management, succession planning and human resources measurements. She is also experienced in managing human resources and administrative operations across regional offices. Ms Law received a Bachelor of Business Administration (Hons) Degree in Human Resources Management from the Hong Kong Baptist University. She is a professional member of Hong Kong Institute of Human Resources Management. She is also appointed as Assessor for the Recognition of Prior Learning Scheme with Vocational Training Council. Ms Law is also the Director of Human Resources & Administration of CFSG.

# CORPORATE GOVERNANCE REPORT

The Directors of the Company have adopted various policies to ensure compliance with the code provisions of the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules. For the year ended 31 December 2025, the Company has complied with all the code provisions of the CG Code, except for the following deviations:

- (1) Pursuant to code provision C.2.1, the role of chairman and chief executive should be separate and should not be performed by the same individual. Dr Kwan, the Chairman and ED of the Board also acted as CEO of the Company during the underlying year. Details were mentioned in the section of "Chairman and Chief Executive Officer".
- (2) Pursuant to code provision B.2.4 where all the independent non-executive directors of the Company have served more than nine years on the Board, the Company should appoint a new independent non-executive director on the board. Each of Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin had served the Company as an independent non-executive Director for more than nine years and the Company did not appoint a new independent non-executive Director. Mr Leung Ka Kui Johnny has served the Board for 25 years, Mr Wong Chuk Yan has served the Board for 27 years and Dr Chan Hak Sin has served the Board for 25 years. The Board considers that each of the three independent non-executive Directors have a thorough understanding of the Company's operations, do not involve in the Company's daily operations and have expressed independent advices to the Company in the past. The Board is also of the view that these three independent non-executive Directors are firmly committed to their responsibilities and ongoing role, and that the long service of these three independent non-executive Directors will not affect their independent judgements. The Board considers these three independent non-executive Directors to remain independent under the Listing Rules despite the fact that they have served the Company for more than nine years. The Board believes that the continued tenure of these independent non-executive Directors will help to maintain the stability of the Board as they have, over time, gained valuable insights into the business strategy and policies of the Group. Therefore, the Company did not appoint a new independent non-executive Director, which despite deviate from code provision B.2.4, would not be detrimental to the Company.
- (3) Pursuant to the amendment of code provision B.3.5, which took effect on 1 July 2025, the Company is required to appoint at least one director of a different gender to the Nomination Committee. The Company was unable to meet this requirement immediately upon its effective date, as additional time was needed to identify and appoint a suitable candidate. On 1 September 2025, Mr Wong Chuk Yan and Ms Kwan Iec Teng Janet, the independent non-executive director and executive director of the Company respectively, were appointed as members of the Nomination Committee. Following these appointments, the Company has complied with the code provision B.3.5.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments.

## CULTURES AND VALUES

A healthy corporate culture across the Group is integral part to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

### **Integrity and code of conduct**

The Group strives to maintain high standard of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the relevant standards and requirements are set out in the relevant materials to staff and policies such as the Group's employee handbook, the anti-corruption policy and whistle-blowing policy of the Group.

### **Commitment**

The Group believes that the culture of commitment to staff development, workplace health and safety, work-life balance and sustainability are the key elements for staff engagement with the Group's mission. The Group is committed to provide a safe, healthy and family-friendly workplace to staff so as to attracts, develops and retains the best talents and delivered the highest quality of work.

# CORPORATE GOVERNANCE REPORT

## THE BOARD COMPOSITION

The Board currently comprises four EDs and three INEDs. The Directors during the year and up to the date of this annual report were:

### **Executive Directors**

Kwan Pak Hoo Bankee

Leung Siu Pong James (resigned on 2 July 2025)

Kwan Teng Hin Jeffrey

Cheung Tsz Yui Morton

Kwan Iec Teng Janet

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

Leung Ka Kui Johhny

Wong Chuk Yan

Chan Hak Sin

The biographies of the Directors are set out from pages 19 to 21 of this annual report under the “Board of Directors and Senior Management” sections.

The board possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The Board of which over one third of the Board members are INEDs, thereby promoting critical review and control of the management process. The INEDs will also share their valuable impartial view on matters to be discussed at the board meetings.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 requires that the roles of chairman and chief executive officer should be separate and not be performed by the same individual. Dr Kwan Pak Hoo Bankee (“Dr Kwan”), the ED and Chairman of the Board also acted as CEO of the Company during the underlying year. Dr Kwan is responsible for formulating the strategies and policies of the business development of the Group, providing leadership and overseeing the functioning of the Board. The dual role of Dr Kwan provides a strong and consistent leadership to the Board and is critical for efficient business planning and decisions of the Group. The CEOs of respective business units of the Group assisted Dr Kwan in performing CEO’s responsibilities and are responsible for formulating business plans and monitoring the business operation and development of the Group, and report regularly to the Chairman. The balance of power and authorities is also ensured by the operation of the Board and the senior management, which comprise experienced and high caliber individuals. In addition, the 3 INEDs provide independent and impartial opinion on issues to be considered by the Board. The Board is of the opinion that the current Board structure functions effectively.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The INEDs are all professionals with well recognised experience and expertise in professional and/or accounting fields who provide valuable advice to the Board. They are appointed for a term of 1 year and are subject to retirement from office and re-election at the AGM every year. The Company has received a confirmation of independence from each of the INEDs. The Board considers each of them to be independent by reference to the factors as set out in Rule 3.13 of the Listing Rules. The INEDs have been expressly identified as such in all corporate communications of the Company that disclose the names of the Directors.

# CORPORATE GOVERNANCE REPORT

## INDEPENDENT VIEWS

The Company has maintained a mechanism to ensure that independent view and input are available to the Board. The mechanism includes:

- Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive directors, for appointment as Directors.
- Nomination Policy is in place with details of the process and criteria of identifying, selecting, recommending, cultivating and integrating new directorship.
- For independent non-executive directors (“INED(s)“):
  - (i) Every INED is required to confirm in writing to the Company his/her independence upon his/her appointment as Director with reference to such criteria as stipulated in the Listing Rules;
  - (ii) Each INED has to declare his/her past or present financial or other interests in the Group’s business as soon as practicable, or his/her connection with any of the Company’s connected persons (as defined in the Listing Rules), if any;
  - (iii) Each INED is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.
- The Nomination Committee will assess the independence of INEDs and review the INEDs’ annual confirmations on their independence.
- Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it will set out in the circular to Shareholders the reasons it believes he/she should be elected and the reasons it considers him/her to be independent.
- A mechanism is in place for Directors to seek independent professional advice in performing their duties at the Company’s expense.

The implementation and effectiveness of the mechanism are reviewed by the Board on an annual basis.

## ROLES AND RESPONSIBILITIES OF THE BOARD AND THE SENIOR MANAGEMENT

The Board is accountable to stakeholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy, the review of corporate and financial policies and the oversight of management of the Group’s business and affairs. Apart from these, the Board reserved for its consideration and decision on major acquisitions and disposals, review of interim and annual financial results, appointments and removals of directors and auditors, the evaluation on the performance and compensation of senior management, any material capital transactions and other significant operational and financial affairs. With a view to maintaining an appropriate balance between authority and responsibility, such functions are either carried out directly by the Board or indirectly through various committees established by the Board, with respective functions set out in their written terms of reference.

The Management is led by the EDs of the Board and has delegated powers and authorities to carry out the day-to-day management and operation of the Group; formulate business policies and make decision on key business issues; and exercise power and authority delegated by the Board from time to time. The Management assumes full accountability to the Board for the operation of the Group.

# CORPORATE GOVERNANCE REPORT

## RELATIONSHIP BETWEEN THE BOARD MEMBERS

Dr Kwan Pak Hoo Bankee (Chairman, ED and CEO of the Company) is the father of Mr Kwan Teng Hin Jeffrey (ED of the Company) and Ms Kwan Iec Teng Janet (ED of the Company and executive director and deputy chief executive officer of Pricerite Group). Save as disclosed herein, none of the members of the Board has any relationship (including financial, business, family or other material/relevant relations) between each other.

## INDUCTION, SUPPORT AND PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

The Directors received regular updates and presentation on changes and developments to the Group's business and on the latest developments in the law, rules and regulations relating to Directors' duties and responsibilities. A newly appointed Director will receive a comprehensive induction package covering the statutory and regulatory obligations of Directors. Directors' training is an ongoing process. All Directors are encouraged to attend training sessions including but not limited to seminars (including online webinars), briefings, conference forums and workshop and reading materials to enrich their knowledge in discharging their duties as a director.

To summarise, the Directors received trainings on the following areas to update and develop their skills and knowledge during the year under review:

| <b>Name of Directors</b>                       | <b>Training on corporate governance, regulatory development and other relevant topics</b> |
|--|---|
| Kwan Pak Hoo Bankee                            | ✓   |
| Leung Siu Pong James (resigned on 2 July 2025) | N/A   |
| Kwan Teng Hin Jeffrey                          | ✓   |
| Cheung Tsz Yui Morton                          | ✓   |
| Kwan Iec Teng Janet                            | ✓   |
| Leung Ka Kui Johnny                            | ✓   |
| Wong Chuk Yan                                  | ✓   |
| Chan Hak Sin                                   | ✓   |

There is a procedure agreed by the Board to ensure the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Directors confirmed that they have complied with the code provision C.1.4 of the CG Code during the year.

## DIRECTORS' INSURANCE

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

# CORPORATE GOVERNANCE REPORT

## DIRECTORS' ATTENDANCE AND TIME COMMITMENT

The attendance record of the Directors at the following meetings during the year is set out below:

| Name of Directors                                 | Meetings attended/held      |                    |                         |                                |                              |                        |                         |
|---|-----------------------------|--------------------|-------------------------|--------------------------------|------------------------------|------------------------|-------------------------|
|   | Executive Committee Meeting | Full Board Meeting | Audit Committee Meeting | Remuneration Committee Meeting | Nomination Committee Meeting | Annual General Meeting | Special General Meeting |
| <b>EDs</b>  |                             |                    |                         |                                |                              |                        |                         |
| Kwan Pak Hoo Bankee                               | 5/5                         | 7/7                | N/A                     | 1/1                            | 1/1                          | 1/1                    | 1/1                     |
| Leung Siu Pong James<br>(resigned on 2 July 2025) | 4/4                         | 3/3                | N/A                     | N/A                            | N/A                          | 1/1                    | N/A                     |
| Kwan Teng Hin Jeffrey                             | 5/5                         | 7/7                | N/A                     | N/A                            | N/A                          | 1/1                    | 1/1                     |
| Cheung Tsz Yui Morton                             | 5/5                         | 7/7                | N/A                     | N/A                            | N/A                          | 1/1                    | 1/1                     |
| Kwan Iec Teng Janet                               | 4/5                         | 7/7                | N/A                     | N/A                            | N/A*                         | 1/1                    | 1/1                     |
| <b>INEDs</b>                                      |                             |                    |                         |                                |                              |                        |                         |
| Leung Ka Kui Johnny                               | N/A                         | 6/7                | 3/4                     | 1/1                            | 1/1                          | 0/1                    | 1/1                     |
| Wong Chuk Yan                                     | N/A                         | 7/7                | 4/4                     | 1/1                            | N/A*                         | 1/1                    | 0/1                     |
| Chan Hak Sin                                      | N/A                         | 5/7                | 3/4                     | N/A                            | 1/1                          | 1/1                    | 1/1                     |
| <b>Total number of meetings held:</b>             | 5                           | 7                  | 4                       | 1                              | 1                            | 1                      | 1                       |

\* Each of Ms Kwan Iec Teng Janet and Mr Wong Chuk Yan was appointed as member of Nomination Committee on 1 September 2025.

During the year, the Chairman of the Board held a meeting with the INEDs without the presence of the EDs.

Upon reviewing (i) the annual confirmation of the time commitment given by each Director; (ii) the directorships and major commitments of each Director; and (iii) the attendance rate of each Director on full Board and their executive committee meetings with the Management on their respective functional duties and responsibilities, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during the year.

## BOARD MEETINGS AND PROCEEDINGS

Regular Board meetings were held at approximately quarterly interval. The Directors have access to the advice and services of the Company Secretary and key officers of the company secretarial team for ensuring that the Board procedures, and all applicable rules and regulations, are followed.

All Directors are consulted as to whether they wish to include any matter in the meeting agenda before the agenda for each board meeting is issued. Board meeting notice is sent to the Directors at least 14 days prior to each regular board meeting. Originals of the minutes of board meetings will be kept by the Company Secretary and are opened for inspection at any reasonable time on reasonable notice by any Director.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the Director will abstain from voting on the relevant board resolution in which he/she or any of his/her associates has a material interest and that he/she shall not be counted in the quorum present at the board meeting.

# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE (SET UP ON 28 JUNE 1999)

The Audit Committee comprises only independent non-executive directors. It is chaired by Mr Leung Ka Kui Johnny and its members are Mr Wong Chuk Yan and Dr Chan Hak Sin (all of them are independent non-executive directors).

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

The Audit Committee is primarily responsible for making recommendations to the Board on the appointment and removal of the external auditor, approving the remuneration and terms of engagement of external auditor, reviewing financial information and overseeing of the financial reporting system, risk management and internal control procedures. The Audit Committee held 4 meetings during the year.

A summary of work performed by the Audit Committee during the year is set out as follows:

- i. reviewed the annual and interim financial statements and the quarterly business operation and development of the Group;
- ii. discussed/met with the external auditor on general accounting issues of the Group, and reviewed their work and findings relating to the annual audit and the effectiveness of the audit process;
- iii. reviewed the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2025;
- iv. annual review of the non-exempt continuing connected transaction of the Group, if any; and
- v. reviewed the external auditor's independence, approved the engagement and remuneration of external auditor for audit and non-audit services and recommended the Board on the re-appointment of external auditor.

## REMUNERATION COMMITTEE (SET UP ON 1 JUNE 2005)

The Remuneration Committee comprises a majority of independent non-executive directors. It is chaired by Mr Leung Ka Kui Johnny (independent non-executive director) and its members are Mr Wong Chuk Yan (independent non-executive director) and Dr Kwan Pak Hoo Bankee (executive director).

The specific written terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company. Pursuant to the CG Code E.1.2(c)(ii) and the terms of reference adopted by the Remuneration Committee, its primary duties are to make recommendation to the Board on the Company's policies and structure of the remuneration of Directors and senior management and the remuneration packages of individual EDs and senior management. Details of the remuneration of each of the Directors for the year are set out in note 12 to the consolidated financial statements. The Remuneration Committee held 1 meeting during the year.

A summary of the work performed by the Remuneration Committee during the year is set out as follows:

- i. determined and endorsed to the remuneration policy and structure for the Directors and senior management; and
- ii. assessed the performance of executive Directors and reviewed their current level and remuneration structure/package and approved the specific remuneration package of executive Directors.

# CORPORATE GOVERNANCE REPORT

## Remuneration policy of the Directors

The Company adopted a remuneration policy providing guideline for the Directors' remuneration.

Under the remuneration policy, the Directors' remuneration should be based on internal equity factors and external market conditions and will be reviewed from time to time.

The remuneration of EDs generally consists of:

- fixed monthly salary/allowance – which is set in accordance to the Director's duties, responsibilities, skills, experiences and market influences;
- pension – which is based on the local Mandatory Provident Fund Contribution Scheme;
- short term variable incentive – which may include discretionary cash bonus depending on the achievement of short-term corporate objectives and/or personal targets; and
- long term variable incentive – which may include share options designed to encourage long-term commitment.

The remuneration of the non-executive Director(s) of the Company (if any) and the INEDs will be a lump sum of Directors' remuneration made annually.

The remuneration paid to and/or entitled by each of the Directors for the year are set out in note 12 to the consolidated financial statements in this annual report.

The share options granted to and/or entitled by the Directors during the year under review (if any) are set out in the section headed "Directors' Interests in Securities" in the Directors' report of this annual report.

## NOMINATION COMMITTEE (SET UP ON 31 MARCH 2022)

The Nomination Committee comprises of a majority of independent non-executive directors. It is chaired by Dr Kwan Pak Hoo Bankee (executive director) and its members are Ms Kwan Iec Teng Janet (executive director), Mr Leung Ka Kui Johnny, Dr Chan Hak Sin and Mr Wong Chuk Yan (all of them are independent non-executive directors).

The specific written terms of reference of the Nomination Committee is available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are (a) reviewing the structure, size, composition and diversity of the Board; (b) reviewing the board diversity policy; (c) identifying individuals suitably qualified to become Board members and making recommendations to the Board for directorship; (d) assessing the independence of INEDs; and (e) making recommendations to the Board on the appointment, re-appointment, re-election or re-designation of Directors and succession planning for Directors. The Nomination Committee held 1 meeting during the year.

A summary of the work performed by the Nomination Committee during the year is set out as follows:

- i. reviewed the structure, size, composition and diversity of the Board;
- ii. reviewed the independence of the INEDs; and
- iii. made recommendation to the Board on the appointment and re-election of Directors.

## Nomination Policy

The Company has adopted a nomination policy for the Nomination Committee to identify and evaluate a suitable candidate for nomination to (i) the Board for appointment; or (ii) the Shareholders for election, as Directors, at general meetings.

# CORPORATE GOVERNANCE REPORT

## *Selection Criteria*

The nomination policy of the Company specifies the selection criteria of Directors including but not limited to the following:

- character, experience and integrity;
- skills, experience and professional expertise which are relevant to the operations of the Group;
- diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of independence of the proposed independent non-executive Directors in accordance with the Listing Rules;
- commitment in respect of sufficient time and participation to discharge duties as a member of the Board and/or Board Committee(s).

## *Nomination Process*

- the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- to make the recommendation to the Board in relation to the proposed appointment; and
- the Board will have the final authority on determining the selection of nominees.

## **BOARD DIVERSITY POLICY**

The Company has adopted a Board diversity policy (the “Board Diversity Policy”) which sets out the approach to achieve diversity of the Board and is subject to annual review by the Nomination Committee. In designing the Board’s composition, Board diversity is considered from a number of perspectives, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will continue reviewing the composition of the Board to maintain diversity.

### **Gender Diversity**

As at the date of this annual report, the Board comprises seven Directors, one of which is female. The Board has achieved the gender diversity targets of at least one female Director, and the Board will continue to maintain gender diversity at Board level.

The Company is committed to promoting gender diversity not only within the Board but among its workforce generally. As at 31 December 2025, our total workforce comprised of 52% female and 48% male, whereas senior management comprised of 60% female and 40% male. The Board is of the view that the Group has achieved gender diversity among employees.

The Group’s recruitment strategy is underpinned by the appointment of the right employee for the right position, in order to achieve employee diversity for all employees (including the senior management) in terms of gender, age, cultural and educational background, expertise, skills and know-how.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for the corporate governance functions of the Group. The specific written terms of reference of the corporate governance functions is available on the Company's website. The primary duties of the corporate governance functions are (a) reviewing the policies and practices on (i) corporate governance and (ii) compliance with legal and regulations requirements of the Company; (b) reviewing and monitoring the training and continuous professional development of the Directors and senior management; and (c) reviewing the Company's compliance with code and disclosure in this report.

During the year, the Board reviewed the policies and practices on corporate governance, the training and continuous professional development of Directors and senior management and the Company's compliance with code and disclosure in this report.

## DIVIDEND POLICY

The Company has adopted a dividend policy as set out below:

### 1. Purpose

The policy aims to set out the approach for the declaration and payment of dividend by the Board.

### 2. Vision

The Company considers stable and sustainable returns to the Shareholders to be our goal.

### 3. Power of the Board

3.1 The Company may declare and distribute dividends to the Shareholders by way of cash or by other means that the Board considers appropriate.

3.2 In proposing any dividend payout, the Board shall also take into account, inter alia:–

- (i) the Company's actual and expected financial performance;
- (ii) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (iii) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (iv) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- (v) the Group's expected working capital requirements and future expansion plans;
- (vi) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- (vii) any other factors that the Board deems appropriate.

3.3 Any declaration and/or payment of future dividend is subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders as a whole.

### 4. Governing rules

Declaration of the dividend by the Company is also subject to any restrictions under the laws of Bermuda, the bye-laws of the Company and any applicable laws, rules and regulations.

# CORPORATE GOVERNANCE REPORT

## 5. Approval

- 5.1 The Board may from time to time pay to the Shareholders such interim and/or special dividends as it considers to be justified by the profits of the Group.
- 5.2 Any final dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at an AGM and must not exceed the amount recommended by the Board.

## 6. Review of this policy

The Board will review the policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the policy at any time as it deems fit and necessary.

## 7. Legal validity

The policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time. There is no assurance that dividends will be paid in any particular amount for any given period.

## COMPANY SECRETARY

The Company Secretary, a full time employee of the Company, reports directly to the Board and is responsible for, inter alia, providing updated and timely information to all Directors from time to time.

During the financial year ended 31 December 2025, the Company Secretary has complied with Rule 3.29 of the Listing Rules and took no less than 15 hours of relevant professional training.

## SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to the Directors of the Company, all of them confirmed that they have complied with the required standard of dealings and the code of conduct throughout the year.

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge that it is their responsibilities to prepare the financial statements of the Group and other financial disclosures required under the Listing Rules and the Management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. The Directors believe that they have selected suitable accounting policies and applied them consistently, made judgment and estimates that are prudent and reasonable and ensured the financial statements are prepared on a "going concern" basis. The auditor of the Company has made a statement about their reporting responsibilities in the Independent Auditor's Report.

The Management has provided all members of the Board with monthly internal financial statements so as to give the Directors a balanced and understandable assessment of the Company's performance, position and prospects.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibilities for establishing and maintaining appropriate and effective risk management and internal control systems, and for determining the nature and extent of the risks it is willing to take in achieving its strategic objectives. The Management is primarily responsible for the design, implementation and monitoring of the risk management and internal control systems.

Procedures have been designed for safeguarding the Group's assets against unauthorised use or disposal, maintaining proper accounting records, ensuring the reliability and usefulness of financial information for internal business use or for publication, and monitoring the compliance with applicable laws, rules and regulations. Furthermore, they are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatements or losses.

# CORPORATE GOVERNANCE REPORT

The key risk management and internal control procedures include the following:

## **(i) Delegation of authority within limits set by the Board**

The Management of business units and functional departments have been delegated powers and authorities by the Board to carry out the day-to-day management, operation, and maintenance of the internal control systems that are appropriate to their business or function. The Group has adopted a tailored governance and organisational structure with formal and clearly defined lines of responsibility and delegation of authority to ensure segregation of duties with check and balance controls are effectively in place.

## **(ii) Risk management process**

System and procedures are in place to identify, evaluate, manage, and report on the material risk types facing the Group including strategic, operations, compliance, reporting, information and technology risks as well as environmental, social and governance risks.

The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group.

## **(iii) Changes in market condition/external environment**

Processes are in place to identify new risks (including environmental, social and governance risks) arising from changes in market conditions or external environment which could expose the Group to heightened risk of loss or reputational damage. The Management is primarily accountable for measuring, monitoring, mitigating and managing the risks and controls in their areas of responsibility.

## **(iv) Financial reporting**

The Management monitors the business activities closely and reviews monthly financial results of operations against budgets and forecasts. Proper controls are in place for the recording of complete, accurate and timely accounting and management information. In addition, regular reviews and statutory audits are performed by our external auditor to ensure that the preparation of the Group's financial statements are carried out in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.

## **(v) Internal audit**

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs.

The Company currently engaged external independent professionals to review the Group's system of internal controls and risk management annually and will further enhance the Group's internal control and risk management systems as appropriate. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

## **(vi) Inside information**

There are internal procedures and controls for the handling and dissemination of inside information. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group will immediately disclose the information to the public. The Group is committed to ensure that information contained in announcement or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

# CORPORATE GOVERNANCE REPORT

## **(vii) Whistle-blowing channels**

The Group maintains a whistle-blowing policy to encourage employees to report any suspected misconduct contrary to our ethical belief in confidence without the fear of recrimination. Procedures are established for employees to raise complaints directly to the human resources department, which will evaluate the complaint and determine whether an investigation is appropriate. Human resources department coordinates with relevant departments for investigation where necessary and recommendations for improvements are communicated to the respective management for implementation. Audit procedures, investigation results and subsequent follow-up actions taken are reported to the Audit Committee on an annual basis.

## **(viii) Anti-corruption policy**

The Board has adopted an anti-corruption policy. The Group is committed to conducting business honestly, ethically and with integrity. In line with such commitment, the anti-corruption policy sets out the responsibilities of all business units and employees of the Group to comply with the applicable anti-corruption laws, rules and regulations. The Group adopts a zero-tolerance principle against corrupt practices. All employees are prohibited from soliciting, accepting or offering advantages from or to clients, suppliers or any person having business dealings of any kind with the Group.

## **Overall assessment**

The Board, through the Audit Committee, has conducted an annual review of the effectiveness of our risk management and internal controls systems covering all material controls, including financial, operational and compliance controls, and the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions.

During the year ended 31 December 2025, the Group engaged an independent professional consultancy firm for performing independent review of the adequacy and effectiveness of the internal control and risk management. The consultancy firm identified and assessed the risks of the Group through a series of interviews; and independently performed internal control review and assessed effectiveness of the Group's risk management and internal control systems. The review results has been properly reported to the Audit Committee.

In addition, the Board has received confirmation from the Management that the Group's risk management and internal controls systems are effective.

During the year ended 31 December 2025, the Board is not aware of any material internal control deficiency or significant areas of concern that may affect Shareholders' interests.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Board has overall responsibility for the Group's environmental, social and governance strategy and reporting. The Board is responsible for the Group's environmental, social and governance ("ESG") risk management and internal control systems to ensure that ESG strategies and reporting requirements are met. Details information on the ESG practices adopted by the Group is set out in the "Board Statement" section of the ESG Report of this annual report.

## **SHAREHOLDER COMMUNICATION POLICY**

The Company believes that effective communication with Shareholder is essential for enhancing Shareholder's knowledge and understanding of the Company. To achieve this, the Company pursues a proactive policy of promoting Shareholder communication. The main purpose of the Company's Shareholder communication policy, therefore, is to enable Shareholder to have access, on a fair and timely basis, to information that is reasonably required for making the best investment decisions.

Information relating to the Group is mainly communicated to Shareholder through publication of notices, announcements and circulars at the websites of the Company and the Stock Exchange and despatch of interim reports, annual reports and circulars to the Shareholder. Shareholder's general meetings are held in compliance with the Listing Rules and other legal requirements to ensure communication and interaction with Shareholder.

The Board reviews the Shareholder communication policy on an annual basis, and makes any changes it considers necessary to ensure its effectiveness and that the legal interests of Shareholder is substantially protected.

# CORPORATE GOVERNANCE REPORT

The Board has conducted a review of the implementation and effectiveness of the Shareholder communication policy of the Company. Having considered the diverse channels of communication in place, the Board is satisfied that an effective Shareholder communication policy has been properly implemented throughout the year ended 31 December 2025.

## SHAREHOLDERS ENGAGEMENT

The general meetings of the Company provide a communication channel between the shareholders and the Board. An annual general meeting of the Company is held each year at a location as may be determined by the Board. Each general meeting, other than an annual general meeting, is called a special general meeting. The Board may, whenever it deems fit, convene a special general meeting. Any vote of the shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

## CONSTITUTIONAL DOCUMENTS

During the year under review, the Company has adopted the amended and restated bye-laws by a special resolution passed on 3 June 2025. An up-to-date version of the Company's Memorandum of Association and Amended and Restated Bye-laws is available on the Company's website and the Stock Exchange's website.

## SHAREHOLDERS' RIGHTS

### **Convening a SGM and putting forward proposals at general meetings**

Pursuant to the bye-laws of the Company, Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a SGM to be called by the Board.

The written requisition (i) must state the object(s) of the meeting, and (ii) must be signed by the requisitionists and deposited at the registered office of the Company for attention of the Company Secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified with the Company's share registrar and upon its confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all Shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM for a day within 2 months after the date of deposit of such requisition, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

Pursuant to the Bermuda Companies Act 1981, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company ("Requisitionists"), or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the Requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than 6 weeks before the meeting in case of a requisition requiring notice of a resolution or not less than 1 week before the meeting in the case of any other requisition. Provided that if an AGM is called for a date 6 weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

# CORPORATE GOVERNANCE REPORT

## Enquiries from Shareholders

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong or tel: (852) 2980 1333 or email: cash1049@cash.com.hk.

Other Shareholders' enquiries can be directed to the Group Public Affairs Department of the Company at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong or tel: (852) 2287 8888 or fax: (852) 2287 8000 or email: inquiry@cash.com.hk.

## AUDITOR'S INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standard. Members of the Audit Committee were of the view that the Company's auditor, Messrs. Deloitte Touche Tohmatsu is independent and has recommended the Board to re-appoint it as the Company's auditor at the forthcoming annual general meeting. During the year, Messrs. Deloitte Touche Tohmatsu has rendered audit services and certain non-audit services to the Company and the remuneration paid/payable to it by the Company are set out as follows:

| <b>Services rendered</b>                       | <b>Fees paid/payable</b><br>HK\$ |
|--|----------------------------------|
| Audit services                                 | 4,415,400                        |
| Non-audit services:                            |                                  |
| Preparation for sales report                   | 39,000                           |
| Review of the preliminary results announcement | 65,000                           |
|  | <hr/> 4,519,400 <hr/>            |

On behalf of the Board

**Dr Bankee P. Kwan, BBS, JP**

*Chairman & CEO*

Hong Kong, 27 March 2026

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE REPORT

This Environmental, Social and Governance Report (the “ESG Report”) summarises the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

### Scope of Reporting

This ESG Report covers the major initiatives and performance of the Group’s financial services, investment management, and retail management businesses. The financial services and investment management operations are operated under the Group’s listed subsidiary, CASH Financial Services Group Limited (“CFSG”, SEHK Stock Code: 510), and CASH Algo Finance Group International Limited (“CAFG”). The retail business is operated under the Pricerite Group (“Pricerite”), a Hong Kong-based retailer known for its affordable, space-saving, and innovative household solutions.

As our continuous effort to improve disclosure and transparency, the Group presents consolidated data of its financial services, investment management, and retail management businesses in this ESG Report. While historical data reflects information collected solely from Pricerite, explanatory notes have been provided throughout the Report to ensure clarity and appropriate interpretation.

The ESG data and related key performance indicators (KPIs) included in this report pertain to the Group’s head office and 14 Pricerite retail stores in Hong Kong, as well as the office locations of CFSG and CAFG in Hong Kong, Shenzhen, Shanghai and Qingdao.

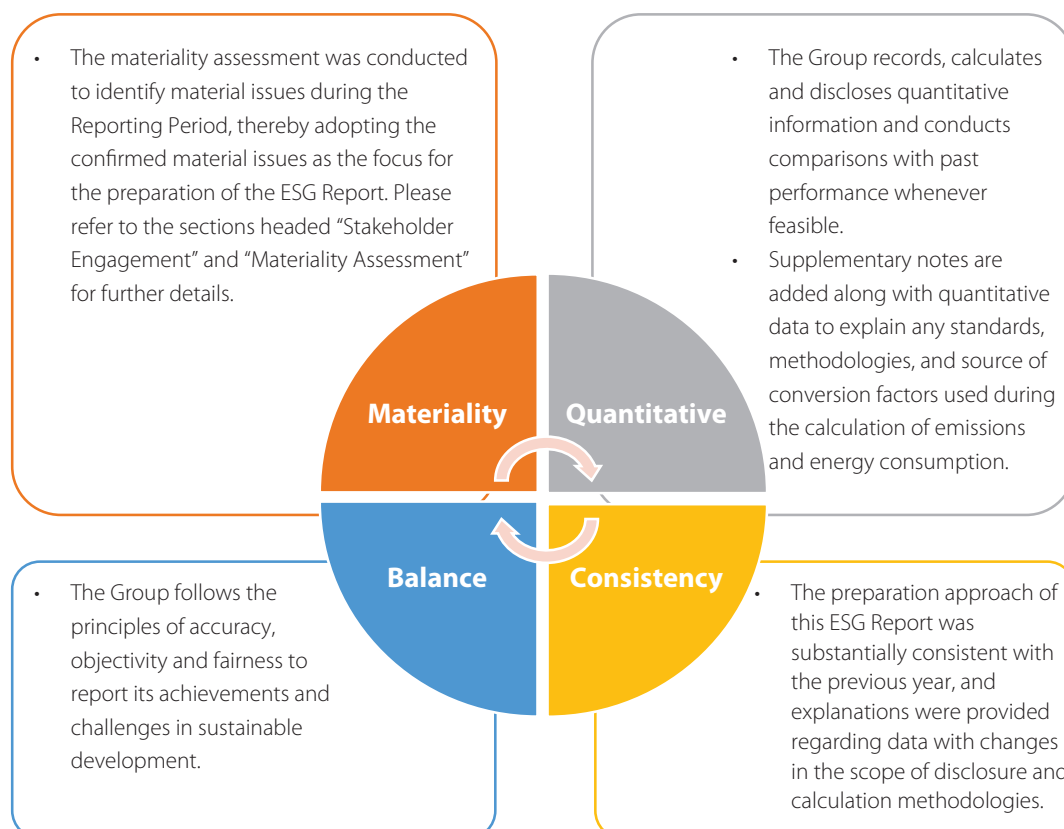
### Reporting Period

This ESG Report specifies the ESG activities, challenges, measures taken, compliance and results of the Group during the financial year ended 31 December 2025 (the “Reporting Period”).

### Reporting Framework

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on Main Board of Stock Exchange. Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 23 to 36 of this annual report.

During the preparation for this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Code as the following:



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## OUR COMMITMENT

Our Group aims to be a Total Caring Organisation. We are dedicated to:

- Meeting the needs of our customers with quality products and innovative services;
- Creating an enjoyable work environment to engage our employees and maximise their potential;
- Minimising our impact on the natural environment; and
- Contributing to the betterment of the community, especially that of the next generation.

## GOVERNANCE STRUCTURE AND STATEMENT OF THE BOARD

### Oversight of ESG Issues

The Board of Directors (the "Board") holds the ultimate responsibility on monitoring the Group's ESG issues, including ESG management approach, strategy, goals, targets and policies. In order to better manage the Group's ESG performance and identify potential risks, the Board oversees materiality assessment with the assistance of the ESG Committee to identify, evaluate and prioritise material ESG issues with reference to stakeholders' opinions.

### The ESG Committee

The ESG committee, composing of core members from different departments, is established to facilitate the Board's oversight of ESG matters. The ESG committee is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance against targets, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG committee meets annually to assess the effectiveness of existing ESG policies and procedures and to recommend enhancements that can further improve the Group's overall ESG performance. The ESG committee report to the Board through a structured reporting mechanism that combines briefings and ad hoc reporting, to assist the Board in assessing and identifying the Group's climate risks and opportunities.

## CLIMATE-RELATED DISCLOSURES

### Governance

The Board considers a broad spectrum of climate-related risks and opportunities in setting the Group's strategic direction, and ensures these factors are fully integrated into its oversight of strategy, major transactions, and policies. ESG considerations and stakeholder expectations are fully embedded in decision making by assessing whether proposed transactions, and controls and mitigation measures align with the Group's climate commitments. The Board balances short-term financial implications with long-term resilience to support informed, forward-looking decisions that enable sustainable performance.

The Board further oversees the development of climate-related targets, ensuring they are aligned with strategic priorities. It reviews progress against these targets on a needed basis. Although climate-related performance indicators are not yet incorporated into remuneration policies, the Group's commitment to achieving its climate objectives remains fully intact.

Internal controls and review mechanisms are integrated into the operations of business units. These include climate-related risks assessments, as well as cross-functional reviews of regulatory and market developments. The ESG committee coordinate inputs from business units to ensure that climate insights inform the Board properly.

All the Directors and senior personnel in the ESG committee have received sustainability training. The Board is kept informed of emerging ESG developments, including energy policies, regulatory updates and evolving market best practices. ESG training is embedded in the ongoing development of Directors and senior management.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STRATEGY

### **A Culture Built on Care**

As a Total Caring Organisation, we place care at the center of everything we do – care for how we govern, how we operate, and how we support the people and communities connected to our business. This philosophy guides our decisions, shapes our culture, and defines our long-term ambitions. We believe that responsible growth is only possible when we uphold strong ethics, protect the environment, and invest in the well-being of our workforce and stakeholders. By embracing care as both a mindset and a strategy, we strive to create lasting value and contribute positively to the world around us.

### **Caring for Today, Tomorrow, and the Future**

We have defined clear time horizons to guide the effective implementation of our strategy and to track our progress throughout the journey. Each period represents a deliberate phase of action, allowing us to build momentum in a structured and measurable way. By defining the purpose of each period, we ensure that our efforts remain focused, coordinated, and aligned with our overarching ambition.

**Short-term (1–5 years):** Our near-term priorities centre on strengthening operational efficiency, ensuring full compliance, and building the data and governance foundations needed to support our broader ESG strategy.

**Medium-term (6–10 years):** Over the medium-term, we will make meaningful progress on our ESG targets that embed sustainable practices across our operations. These goals are designed to deliver measurable improvements on our material topics and align with our corporate strategic planning.

**Long-term (10+ years):** Our long-range ambitions focus on transformational outcomes that contribute to wider societal and environmental goals, including climate action and the transition to a circular economy. These aspirations position us to play a leading role in shaping a sustainable future.

### **Managing Climate-related Risks and Opportunities**

Climate change presents both risks and opportunities. We take a balanced approach that considers potential positive and negative impacts, enabling us to maximise value while minimising adverse effects on our business.

#### ***Physical Risks, Transition Risks and Opportunities***

We categorise climate-related impacts into physical risks, transition risks and opportunities that are reasonably expected to affect our cash flows, access to finance, or cost of capital.

**Physical risks:** These include acute events – such as extreme heat, rainfall, storms and other natural disasters – that may disrupt our supply chain and infrastructure, as well as chronic changes like rising sea levels and shifting climate patterns that could affect long-term business viability.

**Transition risks:** They stem from the global shift toward a low carbon economy, including more stringent laws and regulations on environmental protection, carbon emission and waste generation. Technological developments and changing market preferences for green companies may require adjustments to our business model and operations. These changes may lead to increased risks of regulatory non-compliance resulting in legal, technological, market and reputational risks.

**Opportunities:** The transition to a low-carbon business model may bring us opportunities. Growing ESG awareness among consumers gradually shapes the market as preferences shift toward more responsible businesses. Efforts to improve energy efficiency and reduce waste not only lower operating costs in the short-term, but also help streamline and optimize operations over the medium-term. Emerging low-carbon markets are expected to mature within the next three to ten years, creating new opportunities for growth and innovation. By actively disclosing ESG performance and taking concrete action, we can enhance our reputation, attracting new capital and customers.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Effects on Business Model and Value Chain

The Group has identified the following risks and opportunities on its business model and value chain:

| Risk Type               | Description   | Effects on Business Model  | Effects on Value Chain  |
|-------------------------|---|--|---|
| <b>Physical Risks</b>   |   |  |   |
| Acute Risk              | Increased severity of extreme weather <ul style="list-style-type: none"> <li>• Extreme heat</li> <li>• Rainfall/flooding</li> <li>• Tropical cyclones</li> </ul>  | <ul style="list-style-type: none"> <li>• Damages property and assets in areas affected by extreme weather</li> <li>• Increases need for air-conditioning and energy use</li> </ul>   | <ul style="list-style-type: none"> <li>• Interrupts supply chains</li> <li>• Reduces availability of insurance on assets in risks exposed areas</li> <li>• Lowers sales/output due to business disruption</li> </ul>  |
| Chronic Risk            | Variability in climate and precipitation patterns <ul style="list-style-type: none"> <li>• Changing climate patterns</li> </ul>   | <ul style="list-style-type: none"> <li>• Affects employee health and safety</li> <li>• Disrupts utilities supply</li> <li>• Increases maintenance costs and insurance premiums</li> <li>• Reduces short-term revenue</li> <li>• Impacts asset values</li> </ul>                              | <ul style="list-style-type: none"> <li>• Disrupts cloud services</li> <li>• Affects costs and availability of utilities</li> </ul>  |
| <b>Transition Risks</b> |   |  |   |
| Regulatory Risks        | <ul style="list-style-type: none"> <li>• Increased carbon pricing</li> <li>• Mandatory reporting obligations</li> <li>• Regulation of existing products and services</li> <li>• Exposure to litigation</li> </ul> | <ul style="list-style-type: none"> <li>• Increases regulatory requirements on carbon pricing</li> <li>• Retires existing assets early due to policy changes</li> <li>• Changes in energy efficiency standards</li> <li>• Increases costs on adopting new processes for compliance</li> </ul> | <ul style="list-style-type: none"> <li>• Induces structural changes in compliance throughout the value chain</li> <li>• Increases risks from non-compliance of suppliers or partners</li> <li>• Reduces demand for high-emissions products and services</li> <li>• Lowers profit margin due to upstream compliance costs</li> </ul> |
| Market Risks            | <ul style="list-style-type: none"> <li>• Changing consumer behaviour</li> <li>• Unpredictable market demand</li> <li>• Changes in competitive landscape</li> </ul>  | <ul style="list-style-type: none"> <li>• Changes input prices (e.g. legal and compliance expenses)</li> <li>• Increases output requirements (e.g. on waste treatment and emission control)</li> </ul>  | <ul style="list-style-type: none"> <li>• Disrupts existing upstream and downstream partnerships as procurement shifts toward greener alternatives</li> </ul>  |
| Reputational Risks      | <ul style="list-style-type: none"> <li>• Criticism of industry sector</li> <li>• Negative stakeholder feedback</li> </ul>   | <ul style="list-style-type: none"> <li>• Increases the difficulty of talent retention and workforce planning</li> <li>• Lowers ability to attract capital</li> </ul>   | <ul style="list-style-type: none"> <li>• Reduces demand of goods and services throughout the value chain</li> </ul>   |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Opportunity Type               | Description   | Effects on Business Model  | Effects on Value Chain   |
|--------------------------------|---|--|--|
| <b>Efficiency Gains</b>        | <ul style="list-style-type: none"> <li>• More efficient and diverse service offerings</li> <li>• Savings from optimising resources</li> <li>• Energy and water efficiency</li> <li>• Use of new technologies</li> </ul> | <ul style="list-style-type: none"> <li>• Improves efficiency from flexible work arrangements during extreme weather</li> <li>• Improves profit margins</li> <li>• Benefits employee health, satisfaction, and productivity</li> <li>• Reduces exposure to fossil fuel price increases</li> <li>• Increases capital availability</li> </ul> | <ul style="list-style-type: none"> <li>• Increases capacity and resource utilisation throughout the value chain</li> <li>• Reduces operational costs due to upstream improvements</li> </ul> |
| <b>Supply Chain Resilience</b> | <ul style="list-style-type: none"> <li>• Strong supplier partnership increases business viability</li> </ul>  | <ul style="list-style-type: none"> <li>• Increases resilience at times of climate unpredictability</li> <li>• Lowers risks of business disruptions</li> </ul>  | <ul style="list-style-type: none"> <li>• Improves competitiveness by collaborating standards</li> <li>• Increases reliability of supply chain</li> </ul>                                     |
| <b>Market Opportunities</b>    | <ul style="list-style-type: none"> <li>• Access to new markets</li> <li>• Opportunity to expand geographically</li> </ul>   | <ul style="list-style-type: none"> <li>• Increases revenue source from new markets</li> <li>• Diversifies geographically</li> </ul>  | <ul style="list-style-type: none"> <li>• Fosters maturity of the entire value chain via expanded product and service offerings</li> </ul>  |
| <b>Consumer Preference</b>     | <ul style="list-style-type: none"> <li>• Changes in consumer behaviour and expectations</li> </ul>  | <ul style="list-style-type: none"> <li>• Opens up new revenue streams</li> <li>• Increases market share of green companies</li> </ul>  | <ul style="list-style-type: none"> <li>• Incentivizes sustainable innovation throughout the value chain, driven by downstream demands</li> </ul>   |

## Climate Resilience

To assess the potential impacts of climate change on our operations, supply chain, and business model, we have conducted a climate scenario analysis in FY2025. Two externally recognised climate pathways were chosen after considering the scenarios of Intergovernmental Panel on Climate Change ("IPCC"), and the Network for Greening the Financial System ("NGFS").

The analysis evaluates physical risks, transition risks and opportunities across short-, medium-, and long-term horizons. The results provide insights on how these risks and opportunities could influence our strategy, resource allocation, and overall capacity to adapt under different climate scenarios. Despite thorough consideration, we also recognize significant uncertainties, including future policy directions, technology adoption rates, and the severity of climate impacts.

**Scenario Selection:** The two chosen climate pathways are widely used and take reference to the scenarios presented by the IPCC. They will help us assess the level of exposure from risks and opportunities, and support our future strategic planning.

## Scenarios<sup>1</sup>

## Key Assumptions

### <2°C scenario

*Warming limited to less than 2°C (above pre-industrial levels) before 2100*

- ≤2°C policy ambition
- Immediate policy reaction
- Fast technological change
- Rapid grid decarbonisation
- Rising customer expectations
- Low local exposure to hazards

### >4°C scenario

*Warming exceeds 4°C (above pre-industrial levels) before 2100*

- ≥4°C policy ambition
- Delayed policy reaction
- Slow technological change
- Gradual grid decarbonisation
- Mild shift in customer expectations
- High local exposure to hazards

Note:

1. Source of the two scenarios: Shared Socioeconomic Pathways ("SSP") from the IPCC's Sixth Assessment Report, SSP1-2.6 and SSP5-8.5. SSP1-2.6 represents a relatively low emissions scenario, while SSP5-8.5 denotes a high emissions scenario.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Scope and Time Horizons:** The analysis covers all of our major operating locations in Hong Kong and China. Impacts were evaluated across short-term (1–5 years), medium-term (6–10 years), and long-term (10+ years) horizons, consistent with our time horizons outlined in the Strategy section.

**Methodology:** For each scenario, we assess the potential operational and financial implications of identified climate-related risk and opportunity factors. While full quantitative modelling is still in progress, we remain committed to strengthening our data systems and analytical capabilities to support more detailed and quantitative scenario assessments in the future.

**Assessment Results:** The results of our climate scenario analysis are presented below:

| Type                             | Relevance or Assumptions              | Impact under a <2°C Scenario |             |           | Impact under a >4°C Scenario |             |           |
|----------------------------------|---------------------------------------|------------------------------|-------------|-----------|------------------------------|-------------|-----------|
|                                  |                                       | Short-term                   | Medium-term | Long-term | Short-term                   | Medium-term | Long-term |
| <b>Physical Acute</b>            |                                       |                              |             |           |                              |             |           |
| <i>Extreme Heat</i>              | Affects health and productivity       | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <i>Rainfall/Flooding</i>         | Damages facilities                    | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <i>Tropical Cyclones</i>         | Results in damages to facilities      | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <b>Physical Chronic</b>          |                                       |                              |             |           |                              |             |           |
| <i>Changing Climate Patterns</i> | Increases risks of business viability | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <b>Transition</b>                |                                       |                              |             |           |                              |             |           |
| <i>Regulatory Risks</i>          | Increases costs of compliance         | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <i>Market Risks</i>              | Changes in market demands             | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <i>Reputational Risks</i>        | Affects corporate image and business  | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <b>Opportunities</b>             |                                       |                              |             |           |                              |             |           |
| <i>Efficiency Gains</i>          | Reduces costs and improves margins    | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <i>Supply Chain Resilience</i>   | Ensures supply continuity             | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <i>Market Opportunities</i>      | Accesses new markets                  | Low                          | Low         | Low       | Low                          | Low         | Low       |
| <i>Consumer Preference</i>       | Opens new opportunities               | Low                          | Low         | Low       | Low                          | Low         | Low       |

Our climate-related risks and opportunities are concentrated in Hong Kong and a few major cities in China, which are our principal places of operations. Nonetheless, these cities are characterised by well-developed infrastructure, strong emergency preparedness, and robust public healthcare systems. These conditions help moderate exposure to acute physical risks and support continuity across our business activities.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Our Adaptation and Mitigation Plans

Based on the findings of the scenario analysis, we have formulated the below adaptation and mitigation measures to tackle physical risk, transition risks, and opportunities:

| Type                          | Adaptation and Mitigation Measures   |
|-------------------------------|--|
| <b>Physical Acute Risks</b>   | <p>To effectively tackle the acute risks, we have a robust emergency plan that includes staff training to enhance our resilience:</p> <ul style="list-style-type: none"><li>• Implement localized mitigation measures and conduct regular drills to address increasingly severe weather risks;</li><li>• Ensure business continuity with strong supplier partnerships;</li><li>• Activate contingency plans with flexible work arrangements in event of extreme weather;</li><li>• Advise employees to undertake precautionary measures when necessary;</li><li>• Promote ventilation and cooling improvements in facilities to improve working conditions;</li><li>• Position servers, air conditioners, and other critical equipment in locations that meet required flood and wind resistance standards; and</li><li>• Explore energy-efficient equipment and alternative energy sources to reduce reliance on traditional energy supplies.</li></ul> |
| <b>Physical Chronic Risks</b> | <p>Consideration is given in our long-term planning to tackle chronic risks:</p> <ul style="list-style-type: none"><li>• Consider flood hazards during office and retail site selection;</li><li>• Use water-saving equipment and retrofit existing equipment to improve water efficiency; and</li><li>• Assess alternative water source availability in case of shortages.</li></ul>  |
| <b>Transition Risks</b>       | <p>We are strengthening climate governance, and accelerating the shift toward low-carbon technologies and business models to tackle transition risks:</p> <ul style="list-style-type: none"><li>• Monitor market trends and changes in legal requirement to ensure we satisfy the demands of customers and authorities at all times;</li><li>• Maintain transparency by producing high-quality climate disclosure;</li><li>• Collaborate with suppliers to promote adoption of low-carbon processes and technologies; and</li><li>• Consider climate-related risk in products, services, and value chain to ensure market risks are effectively monitored.</li></ul>   |
| <b>Opportunities</b>          | <p>We leverage industry insights to identify and secure emerging climate-related opportunities:</p> <ul style="list-style-type: none"><li>• Develop lower-carbon product and service offerings;</li><li>• Invest in energy-efficient and low-emission technologies to reduce costs;</li><li>• Invest in green bonds to support climate-positive investments.</li></ul>   |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Current and Anticipated Financial Effect

The Group did not recognize any impairment loss on assets damaged by acute risks in FY2025. We have not yet deployed any capital expenditure, financing or investment towards climate-related risks and opportunities. Internal carbon prices are currently not applied in our scenario analysis or decision-making.

## Our Long-term Transition Plan

A long-term transition plan will set out a clear direction to transform our operations into a low-carbon, climate-resilient business. We are setting long-term climate-related targets supported by short-, medium-, and long-term milestones, all measured against a 2025 base year to ensure consistent comparison over time. These targets have taken reference of Hong Kong's long-term decarbonisation pathway and its goal of achieving carbon neutrality, ensuring that our efforts contribute meaningfully to the city's broader climate ambitions.

To deliver on this plan, we will focus on decarbonising our operations through improved energy efficiency, responsible resource management, and the adoption of lower-carbon technologies. We will also strengthen climate resilience by enhancing risk management, and collaborating with partners across our value chain. Our transition plan relies on the collective efforts of our employees and broader community, as well as the pace at which the national grid decarbonises.

The Group develops its target internally based on its strategic planning and did not apply the Science Based Target initiative's Sectoral Decarbonisation Approach. The use of carbon credits to achieve any net targets is currently not considered. Below sets forth the phrased targets over our time horizon:

## Targets

---

|   |   |
|---|---|
| Energy Consumption Intensity                                | Short-term: 2% reduction when compared to 2025<br>Medium-term: 5% reduction when compared to 2025<br>Long-term: 10% reduction when compared to 2025 |
| Non-hazardous Waste Intensity                               | Short-term: 2% reduction when compared to 2025<br>Medium-term: 5% reduction when compared to 2025<br>Long-term: 10% reduction when compared to 2025 |
| Greenhouse Gas ("GHG") Emissions Intensity<br>(Scope 1 & 2) | Short-term: 2% reduction when compared to 2025<br>Medium-term: 5% reduction when compared to 2025<br>Long-term: 10% reduction when compared to 2025 |

## RISK MANAGEMENT

### Risk Management Framework

The Group has in place a risk management framework. Climate-related risk and opportunity identification, assessment, prioritisation, and management are fully integrated into the Group's overall risk management processes. The relevant policy and processes are reviewed annually and updated when necessary.

Climate-related risks and opportunities are examined across the Group through a coordinated, multi-level process. Strategic direction is set at the top, with the Board providing oversight and reviewing the most significant climate-related issues. At the same time, operational teams contribute detailed, ground-level insights by assessing their own exposures on an annual basis. When a potential risk is identified, the relevant department will design and carry out mitigation actions.

All identified climate-related risks and opportunities play a role in shaping our strategic direction, operational priorities, and internal policies. We evaluate each item based on its potential impact and the likelihood of occurrence, creating a clear profile that supports informed decision-making. These evaluations also underpin the scenario analysis outlined above. Risks that score highly on both impact and likelihood are elevated in priority and addressed ahead of lower-rated issues to ensure our resources are focused where they matter most.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG performance. To understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to employees, shareholders and investors, customers, suppliers and business partners, government and regulatory authorities, and the community.

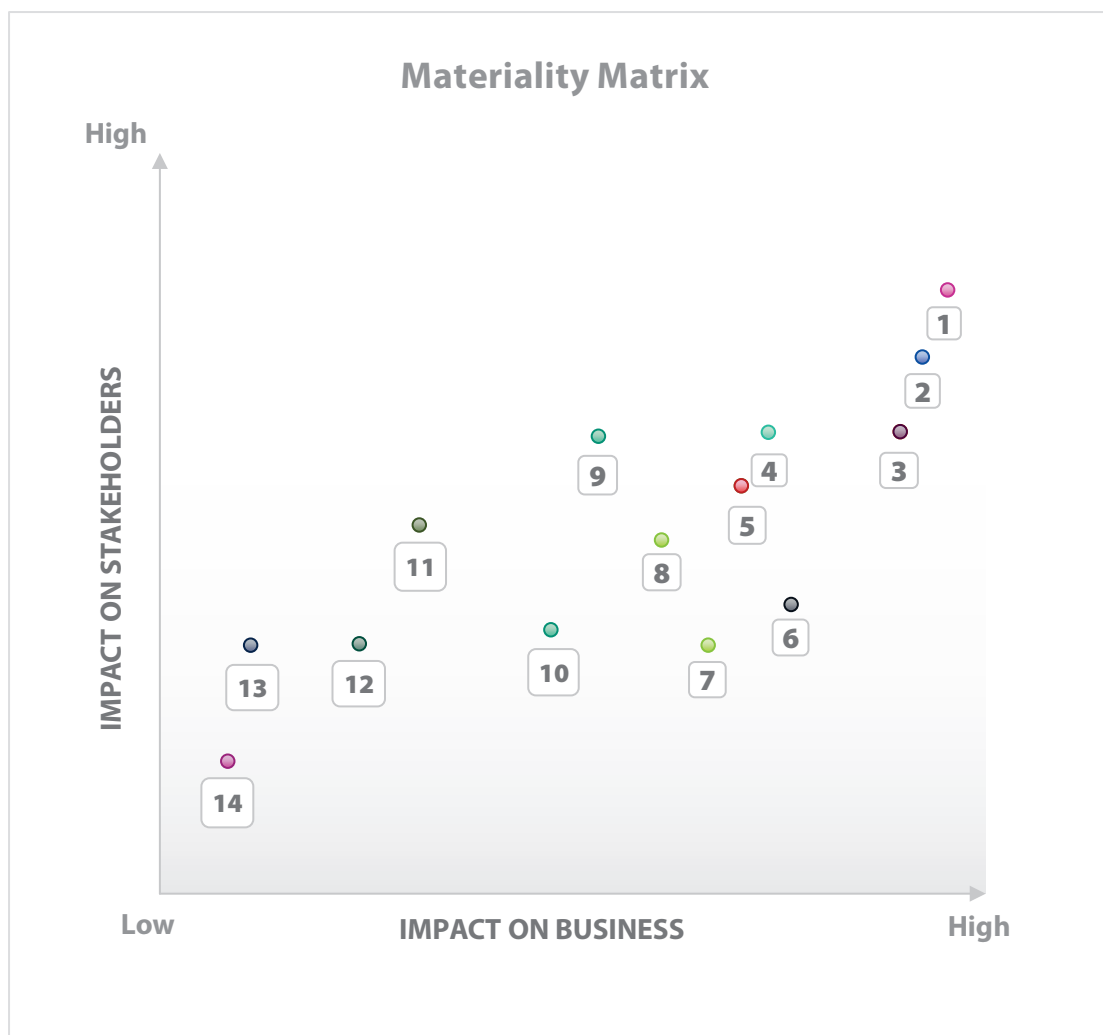
In formulating business and ESG strategies, the Group considers stakeholder expectations through a diverse range of engagement methods and communication channels, as shown below:

| <b>Stakeholders</b>                          | <b>Communication Channels</b>   | <b>Expectations</b>  |
|--|---|--|
| <b>Employees</b>                             | <ul style="list-style-type: none"> <li>• Regular performance appraisal</li> <li>• Training and workshops</li> <li>• Internal announcement</li> </ul>                        | <ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Equal opportunities</li> <li>• Career development</li> <li>• Occupational health and safety</li> </ul>           |
| <b>Shareholders and Investors</b>            | <ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Financial reports</li> <li>• Announcements and circulars</li> </ul>                              | <ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Information transparency</li> <li>• Shareholder rights protection</li> </ul>   |
| <b>Customers</b>                             | <ul style="list-style-type: none"> <li>• Customer service hotline and email</li> <li>• Company website</li> </ul>   | <ul style="list-style-type: none"> <li>• Customer privacy protection</li> <li>• High quality customer services</li> <li>• Business ethic and integrity</li> </ul>                              |
| <b>Suppliers and Business Partners</b>       | <ul style="list-style-type: none"> <li>• Supplier conferences and meetings</li> </ul>   | <ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Fair and open procurement</li> <li>• Mutual benefit</li> </ul>   |
| <b>Government and Regulatory Authorities</b> | <ul style="list-style-type: none"> <li>• Regular performance supervision and evaluation</li> <li>• Written or electronic correspondences</li> <li>• Publications</li> </ul> | <ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Corporate governance</li> </ul>   |
| <b>Community</b>                             | <ul style="list-style-type: none"> <li>• Community events</li> <li>• ESG reports</li> </ul>   | <ul style="list-style-type: none"> <li>• Community participation</li> <li>• Corporate social responsibility</li> <li>• Employment opportunities</li> <li>• Environmental protection</li> </ul> |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIALITY ASSESSMENT

A materiality assessment survey was conducted during the Reporting Period to identify the ESG factors most relevant to the Group's business operations. Through this process, we gathered feedback from our stakeholders on the ESG issues they consider most significant. Results of the survey is presented in the materiality matrix below:



### Major ESG Issues

- |  |   |
|--|---|
| 1. Customer services   | 8. Anti-corruption                              |
| 2. Product and service quality assurance                                 | 9. Occupational health and safety               |
| 3. Employee remuneration and benefit                                     | 10. Corporate social responsibility             |
| 4. Employee recruitment and promotion                                    | 11. Equal opportunities and anti-discrimination |
| 5. Anti-money laundering ("AML") and counter-terrorist financing ("CTF") | 12. Supply chain management                     |
| 6. Development and training  | 13. Environmental protection                    |
| 7. Data and privacy protection   | 14. Climate change                              |

### CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide your valuable advice with regard to the ESG Report or the Group's performances in sustainable development by visiting our website at [www.cash.com.hk](http://www.cash.com.hk).

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## A. ENVIRONMENT

We actively promote the concept of “Green CASH” as a core expression of our commitment to environmental responsibility. This concept guides the way we manage our operations, make procurement decisions, and engage with our stakeholders. Through “Green CASH,” we encourage resource efficiency, responsible consumption, and the adoption of environmentally friendly practices across the organisation. By integrating sustainability into everyday actions and long-term planning, we aim to reduce our ecological footprint and contribute to a greener, more resilient future for the communities we serve.

### A1. Emissions

The Group’s ESG commitment has been widely recognised through multiple awards in recent years. These achievements reflect our dedication to integrating sustainability into every aspect of our operations and demonstrate the positive impact of our ongoing efforts. The recognition encourages us to continue raising the bar as a Total Caring Organisation. Awards received by the Group during the Reporting Period are listed below:

| Date     | Recipient | Name of Award  | Awarding Organisation            |
|----------|-----------|--|----------------------------------|
| Jun 2025 | The Group | Hong Kong Green Organisation Certificate – Wastewi\$e Certificate (Good Level) | Environmental Campaign Committee |
| Jun 2025 | CFSG      | Hong Kong Green Organisation Certificate – Wastewi\$e Certificate (Good Level) | Environmental Campaign Committee |
| Jun 2025 | Pricerite | Hong Kong Green Organisation Certificate – Wastewi\$e Certificate (Good Level) | Environmental Campaign Committee |
| Jun 2025 | Pricerite | Hong Kong Green Organisation   | Environmental Campaign Committee |

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. The said laws and regulations include but are not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), and the Environmental Protection Law of the People’s Republic of China.

#### **Air Emissions**

Due to the Group’s business nature, only an immaterial amount of air emissions was generated from the use of company vehicles. The air emissions have increased due to improved disclosure to consolidate emissions from all businesses. Without considering the effect of consolidation, the Group has noted a decrease in air emissions, reflecting a reduced use of company vehicle. Descriptions of emissions mitigation measures are provided in the section – GHG Emissions.

Summary of air emissions performance:

| Types of Air Emissions             | Unit | 2025 | 2024 |
|------------------------------------|------|------|------|
| Nitrogen Oxides (NO <sub>x</sub> ) | kg   | 3.19 | 1.58 |
| Sulphur Oxides (SO <sub>x</sub> )  | kg   | 0.09 | 0.04 |
| Particulate Matter (PM)            | kg   | 0.23 | 0.12 |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GHG Emissions

GHG emissions of the Group were generated from purchased electricity consumed in offices (Scope 2). To reduce GHG emissions, the Group has actively adopted energy conservation measures to achieve green office which are described in the section headed "Energy Management".

In the retail management business, transportation and deliveries of products are provided by external transportation service providers. To reduce the carbon emissions from the mobile transportation activities of our business partners, we aim to optimise the number of deliveries, which includes:

- Working closely with logistic partners in developing a better fuel-efficient transportation practice;
- Packing and loading products more efficiently to reduce the number of delivery journeys; and
- Continuously improving our transportation management system to achieve more efficient journey planning. On the other hand, video-conferencing systems have been installed in offices to reduce travel and as a result reduce other indirect GHG emissions.

The Group's GHG emissions intensity (Scope 1 & 2) has increased when compared to that of the previous year, primarily due to improved disclosure to consolidate emissions from all businesses. Without considering the effect of consolidation, GHG emissions intensity (Scope 1 & 2) remained at a similar level. The Group has previously set a target to reduce its GHG emissions intensity in 2025, when compared to 2021. It has successfully achieved its target due to lower carbon emission from the electricity purchased locally, as well as the Group's ongoing effort to streamline operations.

In accordance with the aforementioned transition plan, the Group has set a new short-term target to reduce its GHG emission intensity (Scope 1 & 2) by 2% by 2030, compared to the baseline year of 2025.

Summary of GHG emissions performance:

| Scope of GHG Emissions <sup>2</sup>                                    | Unit <sup>3</sup>                  | 2025            | 2024     |
|--|------------------------------------|-----------------|----------|
| Scope 1 Direct GHG Emissions   | tCO <sub>2</sub> e                 | <b>16.90</b>    | 7.44     |
| Scope 2 Energy Indirect GHG Emissions<br>– Location-based <sup>4</sup> | tCO <sub>2</sub> e                 | <b>1,166.96</b> | 1,252.20 |
| Scope 1 & 2 GHG Emissions  | tCO <sub>2</sub> e                 | <b>1,183.86</b> | 1,259.64 |
| Scope 1 & 2 GHG Emissions Intensity <sup>5</sup>                       | tCO <sub>2</sub> e/million revenue | <b>1.54</b>     | 1.43     |
| Scope 3 Other Indirect Emissions                                       |                                    |                 |          |
| – Category 5: Waste Generated in Operations                            | tCO <sub>2</sub> e                 | <b>268.16</b>   | N/A      |
| – Category 6: Business Travel  | tCO <sub>2</sub> e                 | <b>14.99</b>    | N/A      |
| – Category 7: Employee Commuting                                       | tCO <sub>2</sub> e                 | <b>0.43</b>     | N/A      |
| Scope 3 GHG Emissions (Scope 3)  | tCO <sub>2</sub> e                 | <b>283.58</b>   | N/A      |
| Scope 1, 2 & 3 GHG Emissions   | tCO <sub>2</sub> e                 | <b>1,467.44</b> | N/A      |
| Scope 1, 2 & 3 GHG Emissions Intensity <sup>5</sup>                    | tCO <sub>2</sub> e/million revenue | <b>1.91</b>     | N/A      |

Notes:

2. GHG emissions data is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the Global Warming Potential Values from the IPCC Sixth Assessment Report, 2014 (AR5), the 2024 Sustainability Report issued by Hong Kong Electric, and the 2024 Sustainability Report issued by CLP Holdings Limited. Scope 3 emissions data is calculated with reference, but not limited to, the International Civil Aviation Organization, the Hong Kong Low Carbon Living Calculator, and the Department for Environment, Food & Rural Affairs of UK.
3. Our GHG emissions include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O and are converted to reflect the tonnes of CO<sub>2</sub> equivalent.
4. Scope 2 emissions are calculated using a location-based approach, which considers the average emission intensity of the local electricity grid where the energy is consumed.
5. During the Reporting Period, the Group recorded a revenue of approximately HK\$767,443,000 (2024: HK\$883,657,000). The data is also used for calculating other intensity data.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Sewage Discharge***

Due to the Group's business nature, the sewage discharge into land is insignificant. Similarly, there was no significant amount of sewage water discharged; used water was discharged to the municipal sewage network to the city's water treatment plant.

## ***Waste Management***

The Group does not generate any hazardous waste in its operations. Non-hazardous waste arising from our business activities consists primarily of paper. We are committed to high standards of waste reduction and actively promote sustainability awareness among employees, equipping them with the knowledge and support needed to put these practices into action.

Apart from recycling, a series of programmes and activities have been launched in the office to encourage the participation of staff towards waste management, which include:

- Implementing a Green Information and Communication Technology (ICT) Platform, including systems such as E-workflow and CASHARE (intranet) to build a highly efficient "paperless, IT-driven and systematic" working environment;
- Setting pull printing features on copy machines which is an efficient way to reduce paper waste in the office by preventing uncollected printouts from piling up in the printer tray;
- Achieving waste reduction goals set under the Wastewiše Certificate recognition scheme;
- Posting a "Green message" reminder at all office equipment;
- Applying used envelopes for internal document circulation; and
- Recommending duplex or 2-on-1 page copying on recycled paper.

The Group encourages our stakeholders to join us in pursuing more sustainable ways of operating. To reduce paper consumption, we offer shareholders the option to receive corporate communications electronically, and we promote the use of e-statements through our online portal. By shifting toward digital channels, we aim to minimise resource use while providing stakeholders with convenient, timely access to information.

The Group's paper waste intensity has increased when compared to that of the previous year, primarily due to improved disclosure to consolidate emissions from all businesses. Without considering the effect of consolidation, paper waste intensity remained at a similar level. The Group has previously set a target to reduce its paper waste intensity in 2025, when compared to 2021. It has successfully achieved its target through digital workflows, electronic approvals, and online communication channels. From paper-based processes, departments have been encouraged to prioritise electronic documentation, reduce printing and unnecessary hard copy storage.

The Group has broadened its data-collection scope and now includes disclosures on general office waste beyond paper, strengthening the completeness and transparency of our environmental reporting. To ensure the effectiveness of our reduction and conservations measures, the Group has set a new short-term target to reduce its non-hazardous waste intensity by 2% by 2030, compared to the baseline year of 2025.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Summary of major non-hazardous waste discharge performance:

| <b>Types of Waste</b>               | <b>Unit</b>        | <b>2025</b>       | <b>2024</b> |
|-------------------------------------|--------------------|-------------------|-------------|
| Office Paper                        | kg                 | <b>5,008.94</b>   | 4,962.79    |
| Paper Waste Intensity               | kg/million revenue | <b>6.53</b>       | 5.62        |
| General Office Waste                | kg                 | <b>133,666.00</b> | N/A         |
| Total Non-hazardous Waste           | kg                 | <b>138,674.94</b> | N/A         |
| Total Non-hazardous Waste Intensity | kg/million revenue | <b>180.70</b>     | N/A         |

## *Circular Economy Program*

In our offices, waste-separation facilities are in place to encourage responsible disposal. Recycling bins are provided for paper, plastic bottles, aluminium cans, and used toner cartridges, all of which are collected and delivered to authorised recycling agents for proper processing. Across Pricerite retail stores, recycling bins have also been installed to promote customer participation in recycling, and we engage qualified service providers to collect and handle the recyclables on a regular basis.

Below is a summary of items collected for recycling during the Reporting Period:

| <b>Types of Waste Collected</b> | <b>Unit</b> | <b>2025</b>  | <b>2024</b> |
|---------------------------------|-------------|--------------|-------------|
| Paper                           | kg          | <b>2,917</b> | 8,129       |
| Aluminium Cans                  | pieces      | <b>504</b>   | 66          |
| Plastic Bottles                 | pieces      | <b>195</b>   | 162         |
| Toner Cartridges                | pieces      | <b>65</b>    | 16          |
| Batteries                       | kg          | <b>21</b>    | 75          |
| Light Tubes                     | pieces      | <b>499</b>   | 798         |
| Light Bulbs                     | pieces      | <b>0</b>     | 705         |

## **A2. Use of Resources**

The Group recognises its responsibility to take the lead in using finite resources efficiently and in fulfilling its corporate social responsibility by adopting additional eco-friendly practices that strengthen overall sustainability performance. To this end, the Group has established a Green Office Policy to drive energy conservation and promote a more sustainable working environment.

### **Energy Management**

The Group's major energy consumption is the use of electricity in its office premises. In order to reduce energy consumption, the Group has launched a wide variety of green measures as follows:

#### 1) *Lighting*

- T5 energy-efficient lighting tubes have been installed at offices;
- Staff is encouraged to switch off lighting while they are duty-off;
- Partial lighting to be switched off provided that sufficient sunlight is available indoors; and
- "Light-off" during lunch hour is highly recommended.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2) Office equipment

- Computers and other electronic equipment to be powered off while they are not in use; and
- Security personnel conduct nightly patrols to ensure that all unused equipment is properly switched off.

Apart from the measures above, the Group has been participating in the “Earth Hour” campaign organized by the World Wide Fund for Nature for the last few years, switching off non-essential lights for one hour to demonstrate collective support for climate action and the responsible use of natural resources.

The Group’s energy consumption intensity has increased when compared to that of the previous year, primarily due to improved disclosure to consolidate emissions from all businesses. Without considering the effect of consolidation, energy consumption intensity has increased due to declined revenue, resulting in a lower base for intensity calculation. Owing to the same reason, the Group was also not able to meet its previously set target of reducing its energy consumption intensity in 2025, when compared to 2021.

In accordance with the aforementioned transition plan, the Group has set a new short-term target to reduce its energy consumption intensity by 2% by 2030, compared to the baseline year of 2025.

Summary of energy consumption performance:

| <b>Types of Energy Consumption</b> | <b>Unit</b>         | <b>2025</b>         | <b>2024</b>  |
|------------------------------------|---------------------|---------------------|--------------|
| Direct Energy Consumption          |                     |                     |              |
| – Petrol                           | kWh                 | <b>61,587.42</b>    | 27,110.60    |
| Indirect Energy Consumption        |                     |                     |              |
| – Electricity                      | kWh                 | <b>2,827,355.00</b> | 2,824,180.00 |
| Total Energy Consumption           | kWh                 | <b>2,888,942.42</b> | 2,851,290.60 |
| Total Energy Consumption Intensity | kWh/million revenue | <b>3,764.37</b>     | 3,226.69     |

## **Water Management**

The Group does not consume significant amounts of water through our business activities. During the Reporting Period, CFSG consumed 6 m<sup>3</sup> of water (2024: 15 m<sup>3</sup>). Water usage in our other offices and Pricerite retail stores is included in the management fee as water supply facilities are provided and managed by property managers on our rental premises, therefore no meter reading is available. Water consumption intensity is not considered as an applicable performance indicator due to partial availability of data. The Group targets to promote water conservation in all of our operating locations.

Although the water consumption is considered minimal, we encourage saving by driving behavioural changes in the workplace. Green messages are posted in pantries and washrooms as reminders for using water efficiently.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Use of Packaging Material***

In the retail management business, Pricerite, packaging material is used for delivery of goods. The major packaging material used in the business is plastic bag, which is offered to customers upon request. No packaging material is used in the operations of CFSG and CAFG.

The Group strictly implements the Plastic Shopping Bag Charging Scheme enforced by the Government. Customers are required to pay a levy when requesting a plastic bag, which helps restrict plastic bag consumption. Promotional materials for the “Bring Your Own Bag” (BYOB) initiative are displayed in our retail stores to raise customer awareness and encourage the use of fewer plastic bags. During the Reporting Period, these combined efforts, along with the growing environmental awareness in society, led to a reduction in the Group’s plastic bag usage.

Summary of packaging material consumption performance:

| <b>Types of Packing Material</b> | <b>Unit</b>        | <b>2025</b>             | <b>2024</b>      |
|----------------------------------|--------------------|-------------------------|------------------|
| Plastic Bags                     | kg                 | <b>432.29</b>           | 474.33           |
| Packaging Material Intensity     | kg/million revenue | <b>Less than 0.0001</b> | Less than 0.0001 |

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

The Group is committed to minimising negative environmental impacts occasioned by the Group’s business operations. Despite that the business activities of the Group do not significantly impact the environment and natural resources, we continue to be vigilant to the potential environmental impacts arising from its business operations.

#### ***Working Environment***

The Group is committed to providing employees with a comfortable and green working environment to increase work efficiency. We strive to maintain a hygienic and neat environment in the workplace. The Group signed the Hong Kong General Chamber of Commerce’s Clean Air Charter to reduce emissions and create cleaner air. We acted on the Chamber’s 7-7-7 Care-for-Air Guidelines for the public and called on our staff to take practical steps to contribute to improving air quality at home, at work, and while travelling. Besides, the Group engaged in many different governmental environmental protection campaigns, including Green Office Education, Green Day, Biz Green Dress Day, Reuse and Recycle Program and Action Blue Sky.

#### ***Light Pollution***

Due to the high building density in Hong Kong, external lighting at night may disturb nearby residents. To reduce the impact of light pollution, Pricerite strictly follows the “Charter on External Lighting” which has been in effect since April 2016. Certain Pricerite stores are committed to switching off decorative, promotional or advertising lighting, which affects the outdoor environment during the preset time (i.e. midnight to 7 a.m.). This measure also helps reduce energy wastage.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## B. SOCIAL

As a Total Caring Organisation, we are committed to fostering a safe, inclusive, and supportive environment where every individual feels valued, respected, and empowered to thrive. Our approach goes beyond meeting basic responsibilities; it reflects a deep belief that the wellbeing, growth, and dignity of our employees, customers, and communities are essential to our long-term success. Through thoughtful policies, continuous engagement, and a culture grounded in empathy and respect, we strive to create meaningful impact and nurture a workplace where people can flourish.

### B1. Employment

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. The said laws and regulations include but are not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), and the Labour Contract Law of the People's Republic of China.

As at 31 December 2025, the Group had a total of 477 employees. Due to improved disclosure, the figures of the Reporting Period represent data consolidated from all business of the Group, whereas historical figures reflect information collected from Pricerite. Without considering the effect of consolidation, the employee profile is similar to that of the previous year. Total workforce by gender, age group, geographical region and employment type is as follows:

|                                  | 2025       | 2024 |
|----------------------------------|------------|------|
| <b>Total Number of Employees</b> | <b>477</b> | 396  |
| <b>By Gender</b>                 |            |      |
| Male                             | <b>229</b> | 168  |
| Female                           | <b>248</b> | 228  |
| <b>By Age Group</b>              |            |      |
| Below 30 years old               | <b>68</b>  | 55   |
| 30-50 years old                  | <b>279</b> | 229  |
| Over 50 years old                | <b>130</b> | 112  |
| <b>By Geographical Region</b>    |            |      |
| Hong Kong                        | <b>358</b> | 316  |
| China                            | <b>119</b> | 80   |
| <b>By Employment Type</b>        |            |      |
| Full-time                        | <b>436</b> | 361  |
| Part-time                        | <b>36</b>  | 29   |
| Temporary contract               | <b>5</b>   | 6    |

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

The Group has set out the Staff Recruitment Policy for our Human Resources Department to ensure that appropriate and standardised recruitment process is maintained. The policy will be reviewed regularly, and modified as required, to reflect changes in the Group's development, best practice in recruitment process and compliance with the relevant legislation.

The Group has implemented a structured performance management system in which regular performance appraisals provide a two-way communication platform to strengthen employee relationships. Through timely coaching and counselling, supervisors offer constructive feedback on individual performance and identify training and development needs to support continuous improvement and career progression. The relevant procedures are detailed in the Employee Handbook. Based on the appraisal outcomes, the Group reviews and adjusts remuneration in accordance with our transparent incentive framework.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The termination of employment contract is set out in the Employee Handbook and governed by internal policies to ensure all dismissal comply with relevant laws and regulations in Hong Kong and China. The Group strictly prohibits any kinds of unfair or illegitimate dismissals.

During the Reporting Period, the Group recorded a turnover rate of approximately 27.58%. The table below shows the employee turnover rate by gender, age group and geographical region:

|  | <b>2025</b>              | 2024              |
|--|--------------------------|-------------------|
|  | <b>Turnover Rate (%)</b> | Turnover Rate (%) |
| <b>Gender<sup>6</sup></b>              |                          |                   |
| Male                                   | <b>24.62</b>             | 30.41             |
| Female                                 | <b>30.15</b>             | 30.65             |
| <b>Age group<sup>6</sup></b>           |                          |                   |
| Below 30 years old                     | <b>38.89</b>             | 41.51             |
| 30-50 years old                        | <b>28.12</b>             | 27.56             |
| Over 50 years old                      | <b>20.30</b>             | 32.21             |
| <b>Geographical region<sup>6</sup></b> |                          |                   |
| Hong Kong                              | <b>34.14</b>             | 31.97             |
| China                                  | <b>6.81</b>              | 7.50              |

Note:

6. Turnover rate: Employees in the specified category leaving employment divided by the average number of employees in the specified category during the Reporting Period.

## **Remuneration and Benefits**

As a multi-faceted service conglomerate, the Group fully understands that our success lies in the quality of service we provide to our customers and therefore our ability to attract, retain and motivate quality employees. The Employee Handbook is formulated to stipulate general practices and policies related to employment, compensation and benefits. To stay competitive, our base salaries are within industry norms, contributing to our ability to attract and retain highly skilled and motivated staff.

To attract and retain talented people, the Group offers fair and competitive remuneration and benefits. Our remuneration framework is benchmarked against market standards to ensure our ability to motivate and reward our talent pool. We also maintain a comprehensive, people-oriented leave system that provides employees with a wide range of benefits, including annual leave, birthday leave, marriage leave, maternity leave, compassionate leave, and paternity leave.

The Group has also introduced a number of employee-friendly benefits, such as marriage gift coupons, red packets for new-born babies, and purchase and financial trading discounts for staff. In recognition of long-serving employees who have contributed to the Group over the years, we present long service awards as a gesture of appreciation.

Pricerite has set up the "Best Staff" and "Best Manager" award schemes, held yearly, to recognise top-performing employees and teams and to raise morale. Competition is also held on a monthly basis to present awards to recognise outstanding frontline employees and boost their confidence from time to time. The Group believes that our employees' dedication deserves recognition.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Diversity and Equal Opportunities***

The Group is committed to fostering, maintaining, and supporting a culture of equality and diversity in employment, irrespective of age, race, colour, nationality, religious belief, disability, sexual orientation, political opinion, or any other status protected under applicable laws and regulations. We believe that diversity enriches our workplace by creating a more rewarding, inclusive, and supportive environment for all employees.

No individual shall be subjected to discrimination in recruitment, selection, employment, compensation, transfer, promotion, training, or development. Qualified candidates are appointed based on their education, experience, and capabilities, ensuring that all employment decisions are made fairly and without bias.

## ***Work-life Balance***

The Group is committed to helping employees maintain a healthy work-life balance, recognising that this supports both individual health and sustained performance. To encourage a balanced lifestyle, we organise a variety of activities under three themes – wellness, happiness, and vivacity. The Group also promotes family-friendly employment practices, including family leave benefits and employee support schemes. In addition, we regularly arrange after-work activities to enhance employees' wellbeing and strengthen their relationships with colleagues.

With our family-oriented practices, we have been named a "Family-Friendly Employer" under the scheme by the Home Affairs Bureau and the Family Council. In recognition of our effort in people-orientated human resources management and promotion of family-friendly employment practices, we have been recognised as a Signatory of Good Employer Charter under the scheme by the Labour Department. CFSG and Pricerite were honoured by UNICEF with the Certificate of Appreciation for being a breastfeeding-friendly workplace.

## **B2. Health and Safety**

Ensuring the health and safety of our employees is an integral part of the Group's operations. We are committed to maintaining a safe, hygienic, and productive workplace by minimising the risk of accidents, injuries, and exposure to health hazards. To support this commitment, we ensure that all employees are competent in their roles and receive adequate training to comply with applicable local health and safety legislation and requirements.

The Group places paramount importance on providing a safe working environment, supported by measures to address natural disasters, fire safety, disease prevention, and accident response. We encourage employees to view health and safety as a shared responsibility and an essential part of their daily work practices. Our health and safety procedures are reviewed and updated regularly to ensure they remain risk-focused, clearly define responsibilities, and reflect evolving operational needs.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), and Law of the People's Republic of China on the Prevention and Control of Occupational Diseases.

During the Reporting Period, there were 351 lost days (2024: 41) resulting from 1 work-related injury (2024: 2). The incident occurred when a colleague accidentally fell from a hydraulic bed while on duty at a store, leading to a torn meniscus. The colleague is currently undergoing physical therapy and is recovering well. All medical expenses have been covered under the Group's insurance. Following the incident, we carried out an immediate investigation and reviewed the effectiveness of our occupational health and safety measures to strengthen workplace safety. To help prevent similar accidents, the Group has provided additional training for frontline staff on personal safety, proper equipment handling, and accident-reporting procedures. The Group has achieved zero work-related fatalities in the past three years.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Occupational Health and Safety

The Group maintains comprehensive occupational health and safety records to ensure a healthy and safe working environment for all employees. Preventive measures are implemented through the use of appropriate office equipment and periodic workplace risk assessments to enhance overall safety. We also provide employees and their families with comprehensive medical insurance coverage, including clinical, hospital, and dental benefits. In addition, regular vaccination programmes are offered to help reduce the risk of infectious diseases and support the long-term wellbeing of our workforce.

## B3. Development and Training

The Group is committed to ensuring that our people are supported to reach their full potential. To cultivate a skilled workforce ready for future challenges, we have established comprehensive training policies and deliver a wide range of development programmes tailored to different roles and career stages. Management training workshops are designed for employees at the management level and focus on strengthening communication skills, building resilience in the face of challenges, and fostering stronger team cohesion. These initiatives are designed to strengthen professional competencies, nurture emerging talent, and enhance overall organisational productivity and competitiveness. By investing in continuous learning, we aim to empower employees to grow with the Group and contribute meaningfully to our long-term success.

During the Reporting Period, the Group provided a broad range of training programmes covering customer service, product knowledge, operational and selling techniques, career development, risk and compliance, graduate development, Continuous Professional Training (CPT) for professional qualifications, and preparation for licensing examinations. To strengthen frontline performance, we also offer ongoing language enhancement programmes to improve employees' communication proficiency, alongside sales culture training designed to build competitiveness and foster team spirit across both sales and support teams.

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures and rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

The Group has achieved total training hours of 7,479 hours during the Reporting Period. The table below shows the employee training data by gender and employee category:

|                          | Percentage of Employees Trained <sup>7</sup> (%) |       | Average Training Hours Per Employee <sup>8</sup> (hours) |       |
|--------------------------|--|-------|--|-------|
|                          | 2025   | 2024  | 2025   | 2024  |
| <b>Gender</b>            |  |       |  |       |
| Male                     | <b>85.59</b>                                     | 71.43 | <b>19.27</b>   | 13.64 |
| Female                   | <b>87.10</b>                                     | 67.54 | <b>12.37</b>   | 12.60 |
| <b>Employee Category</b> |  |       |  |       |
| Senior Management        | <b>100.00</b>                                    | 81.25 | <b>46.42</b>   | 26.00 |
| Middle Management        | <b>92.86</b>                                     | 76.92 | <b>40.39</b>   | 19.27 |
| General                  | <b>85.35</b>                                     | 68.39 | <b>12.71</b>   | 12.25 |

Notes:

- Percentage of employees trained: Number of employees in the specified category who took part in training divided by number of employees in the specified category at the end of the Reporting Period.
- Average training hours per employee: Total training hours of employees in the specified category divided by number of employees in the specified category at the end of the Reporting Period.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **B4. Labour Standards**

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

The Group prohibits the recruitment of child and forced labour as prescribed by laws and regulations. The Group strictly complies with local laws and shall not provide job opportunities to those who are under the legal working age of respective jurisdictions.

To prevent the illegal employment of child labour or underage workers, the Group's Human Resources and Administration Department is responsible for verifying personal information, including identification documents, during the recruitment process. Any suspected violation is handled appropriately based on the circumstances.

The Group strictly prohibits the use of forced labour; no employee shall be compelled to work against their will, subjected to intimidation, or exposed to any form of corporal punishment or coercion. Overtime compensation procedures are clearly outlined in the Employee Handbook, under which eligible employees are granted compensation leave when required to work beyond normal hours.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong), the Employment Ordinance of Hong Kong (Chapter 57 of the Laws of Hong Kong), and Law of the People's Republic of China on the Protection of Minors.

## **B5. Supply Chain Management**

The Group is committed to creating a sustainable relationship with our suppliers and consultants through operating in an open and fair manner. Our major suppliers mainly consist of hardware and software providers. During the Reporting Period, the Group has engaged 261 major suppliers, 98.47% of which are located in Hong Kong and China.

To ensure that our suppliers meet our expectations for quality, environmental responsibility, and social standards, the Group has established Purchasing Control and Supplier Assessment Procedures. These procedures govern the evaluation, approval, and, where necessary, disqualification of suppliers and subcontractors. Before any procurement decision is made, we conduct assessments of potential suppliers and consultants to identify and minimise environmental or social risks. We also maintain an approved supplier and consultant list, and any party that fails to meet the agreed standards may be suspended or removed from this list.

### ***Green Procurement***

To advance our sustainability commitments, our Green Supply Chain initiative applies rigorous environmental, social, and ethical criteria to all suppliers engaged in our business. We set high expectations for our partners and prioritise those who meet the standards established by the Group. Sustainability considerations are embedded into our sourcing and outsourcing practices, requiring suppliers to comply with baseline requirements that support responsible operations. For example, all suppliers are expected to adhere to the following fundamental principles:

- Operating as an equal opportunity employer, recognising the right to collective bargaining, minimum wages and benefits;
- Maintaining probity and accountability standards;
- Minimising discrimination against small and medium-sized enterprises or local vendors;
- Providing a healthy and safe working environment, not using any forced or child labour, and refraining from harassment or abuse of employees; and
- Supporting sustainable development, acting responsibly with regard to the environment, observing environmental criteria to conserve resources, minimising the negative environmental effects of the production, application and disposal of products, and reducing the use of hazardous materials as much as possible.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **B6. Product Responsibility**

With care in the heart of our business, our mission is to ensure every customer receives a meaningful and reliable experience when using our services. We recognise that professional expertise is essential to delivering consistent service quality, and we place client satisfaction at the heart of all our work. This commitment shapes the way each business division operates and informs the standards we uphold. By emphasising transparency and providing thoughtful, high-quality guidance, we aim to strengthen trust, enhance the customer experience, and build long-term loyalty.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress. The said laws and regulations include but are not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), and Law of the People's Republic of China on the Protection of Consumer Rights and Interests.

### **Quality Assurance**

In the sale of furniture and household items, the Group is committed to upholding the highest standards of product quality, safety, and consistency. To ensure this, we have implemented a Product Approval and Pre-Shipment Inspection Policy that governs our quality assurance procedures, including the New Product Quality Assurance Approval process for electrical appliances, household goods, and pet products.

Pricerite has been awarded the Q-Mark Service Certification by the Hong Kong Q-Mark Council since 2006, and TMF has held the certification since 2018. These certifications recognise our capability and commitment to delivering high-quality service to our customers.

To safeguard our baseline, we involve an independent Quality Assurance Team in assuring product quality and safety. The team assures the satisfaction of customer expectations by the following means:

- Product development – review of new designs, examination of product specifications, analysis of customer expectation conformance;
- Supplier assessment – inspection of suppliers' capability in satisfying quality requirements, solving supply problem by establishing communication channels with suppliers;
- Pre-shipment inspection – inspection of functionality and safety of finished goods to ensure conformance to required specifications; and
- Complaint handling – review of product defects and mismatches against customer expectation, provision of improvement plans on product quality.

As part of our standard operating procedures, Pricerite has established a Product Recall Procedure to prevent the distribution and sale of affected products and to safeguard customer health and safety. This procedure ensures that any necessary product removal – from both the marketplace and our stores – is carried out promptly and effectively. Following each recall, the Quality Assurance Department completes an Improvement Note to analyse the root cause, determine the nature of the issue, and implement corrective actions to prevent recurrence. During the Reporting Period, Pricerite did not recall any products for safety or health reasons.

During the Reporting Period, Pricerite received approximately 137 (2024: 189) complaints related to product issues – such as defects or missing parts – and approximately 190 (2024: 241) complaints concerning delivery and installation services. The reduced number of complaints reflect our efforts on continuous improvement. To facilitate immediate investigation, we collect relevant information including sales records, detailed complaint descriptions, and supporting photos or videos. We acknowledge each case within three working days and provide solutions that address customers' needs. All follow-up actions are carried out in strict accordance with our standard operating procedures, and each case is recorded in the Customer Relationship Management ("CRM") system.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group views customer feedback as an opportunity to enhance product quality and improve our operations. After follow-up actions are completed, we analyse the root causes of complaints and conduct review meetings with relevant stakeholders. Improvement measures – such as the Continuous Quality Improvement (“CQI”) plan and scorecard marking scheme – are implemented to drive ongoing enhancement. To ensure the effectiveness of these procedures, the Group sets relevant KPIs and conducts periodic reviews of standard operating procedures through monthly performance tracking reports, enabling timely adjustments and refinement of action plans where necessary.

## **Customer Services**

The Group is committed to delivering the highest quality of service to its customers. We strive to tailor our solutions to the unique needs of each client, with the aim of creating sustainable value and fostering long-term relationships. In our marketing and communications, we ensure that information is clear, accurate, and easy to understand, enabling investors to make well-informed decisions. Our employees are dedicated to offering professional guidance that helps clients understand the characteristics, functions, and risks associated with financial products.

We also maintain an open and constructive approach to customer feedback and complaints, viewing them as valuable opportunities to enhance our services. Procedures for managing complaints are set out in our Complaint and Suggestion Handling Policy, which provides clear guidance for our employees. When a concern is raised, we act promptly to investigate the issue, engage with the client, and assign the appropriate personnel to address the matter. All complaints are handled in accordance with our internal procedures and are reviewed during monthly compliance meetings to ensure continuous improvement.

During the Reporting Period, Pricerite received approximately 32 (2024: 62) complaints related to customer services. CSFG received 3 customer complaints (2024: nil) relating to service follow-up, account matters, and account operational issues. CAFG did not receive any customer complaints during the year (2024: nil). All of these complaints are handled by designated personnel in a professional and timely manner.

Upon receiving a complaint, we carry out an immediate investigation and speak with the staff involved to understand the situation fully. To prevent similar issues from recurring, relevant team members receive targeted training, and the Staff Training Department conducts case studies and field-sharing sessions with frontline colleagues. Improvement measures arising from each case are closely monitored and reviewed by both the Staff Training Department and the Operations Management Team to ensure they are effectively implemented.

## **Safeguarding Customer Assets**

Certain subsidiaries of the Group are licensed and regulated under the Securities and Futures Commission. As a custodian of customers’ assets, we implement the necessary controls to properly handle and safeguard customers’ assets according to relevant laws and regulations.

The Group maintains segregated accounts to safeguard customers’ assets, and transactions are executed only with the customer’s consent or when required to fulfil obligations under agreed contracts. Comprehensive audit trails are kept to support the investigation of any suspected irregularities. Regular compliance reviews and internal audits are carried out to identify potential non-compliance with regulatory requirements. Any irregularities detected are promptly escalated to management and, where appropriate, reported to the relevant authorities.

## **Handling of Personal Data**

The Group strictly adheres to regulatory requirements on data privacy, through fulfilling high security and confidentiality of personal data privacy protection. We are committed to maintaining and protecting personal data.

The Group has established internal policies to govern the collection, use, and handling of personal data received from data subjects. In line with our data protection principles, we publish a Privacy Policy Statement to inform the public of our general practices regarding the collection, retention, and use of personal information. We have also implemented a Cyber Security Policy that outlines the technical and organisational measures in place to safeguard information and protect it from unauthorised access or misuse.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, a Personal Information Collection Statement is provided whenever personally identifiable information is collected, ensuring that data subjects are informed of the purpose of collection and the ways in which their data may be used. The Group does not use or disclose personal data for direct marketing unless written consent has been obtained from the data subject. Robust security systems and controls are maintained to prevent unauthorised access, processing, or disclosure of personal information.

## ***Protection of Intellectual Property Rights***

Policies and measures regarding the protection of intellectual property rights are in place. For any infringement of the Group's intellectual property rights, the Group will urge infringers to cease such action. The Group shall take further action should infringement continue.

## **B7. Anti-corruption**

The Group strives to promote and maintain the highest standards of honesty, integrity and fairness. All of our staff must ensure that the Group's reputation is not tarnished by dishonesty, disloyalty or corruption. Policies on the aforementioned matters are clearly stated in the Employee Handbook.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and Anti-Corruption Law of the People's Republic of China that would have a significant impact on the Group. During the Reporting Period, there were no concluded legal cases regarding any forms of corrupt practices fraud brought against the Group or its employees.

## ***Whistle-blowing Channels***

The Group maintains a whistle-blowing policy that encourages employees to report suspected misconduct confidentially and without fear of retaliation. Clear procedures are in place for employees to raise concerns directly with the Compliance Department, which will assess each case and determine whether an investigation is warranted. Where necessary, the Compliance Department coordinates with relevant departments to conduct investigations, and recommendations for improvement are communicated to the respective management for implementation. Audit procedures, investigation findings, and subsequent follow-up actions are reported to the Audit Committee on an annual basis.

## ***Anti-corruption Training***

Training related to anti-corruption are rendered to our management and employees to boost their awareness on the prevention of any kind of unethical behaviour such as bribery, extortion, fraud and money laundering. During the Reporting Period, Directors and senior management have attended anti-corruption and ethics legacy training totalling 309 hours.

## **B8. Community Investment**

### ***Community Engagement***

Caring for the communities and people we serve is deeply embedded in our people-oriented culture, which guides both our business decisions and daily operations. The Group and our employees are committed to working hand-in-hand with local communities through a wide range of initiatives, from supporting job creation to focusing on and protecting vulnerable groups in society. Through these efforts, we strive to create meaningful, lasting impact and contribute to the wellbeing of the communities around us.

In March 2025, we made a cash sponsorship of HK\$32,000 to sponsor employee participation in the Pok Oi Cycle for Millions 2025. This is one of Hong Kong's largest annual charity cycling events, organised by Pok Oi Hospital. The event raised funds for Pok Oi Hospital's community services while promoting healthy living, environmental awareness, and cycling safety.

The Group is deeply saddened by the Tai Po fire incident and the severe impact it had on the affected families and the wider community. In response to the Tai Po Fire Emergency Appeal in December 2025, we made a donation of HK\$193,000 to the Hong Kong Red Cross to support its emergency relief efforts, including shelter assistance, humanitarian services, and ongoing recovery support for those in need. Through this contribution, we hope to play a small part in helping the community rebuild and support the affected families in this tragic incident.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – PART C “COMPLY OR EXPLAIN” PROVISIONS

| Indicators                                       | Description   | Section/Declaration                           |
|--|---|---|
| <b>A. Environmental</b>                          |   |   |
| General Disclosure                               | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | A1. Emissions                                 |
| A1.1   | The types of emissions and respective emissions data.   | A1. Emissions                                 |
| A1.2   | Replaced by Climate-related Disclosures   |   |
| A1.3   | Total hazardous waste produced (in tonnes) and intensity.   | A1. Emissions<br>(Not applicable – Explained) |
| A1.4   | Total non-hazardous waste produced (in tonnes) and intensity.   | A1. Emissions                                 |
| A1.5   | Description of emission target(s) set and steps taken to achieve them.  | A1. Emissions                                 |
| 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.  | A1. Emissions                                 |
| <b>A2. Use of Resources</b>                      |   |   |
| General Disclosure                               | Policies on the efficient use of resources, including energy, water and other raw materials.  | A2. Use of Resources                          |
| A2.1   | Direct and/or indirect energy consumption by type in total and intensity.   | A2. Use of Resources                          |
| A2.2   | Water consumption in total and intensity.   | A2. Use of Resources                          |
| A2.3   | Description of energy use efficiency target(s) set and steps taken to achieve them.   | A2. Use of Resources                          |
| 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.  | A2. Use of Resources                          |
| A2.5   | Total packaging material used for finished products (in tonnes) and with reference to per unit produced.  | A2. Use of Resources                          |
| <b>A3. The Environment and Natural Resources</b> |   |   |
| General Disclosure                               | Policies on minimizing the issuer’s significant impact on the environment and natural resources.  | A3. The Environment and Natural Resources     |
| A3.1   | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.   | A3. The Environment and Natural Resources     |
| <b>A4. Climate Change</b>                        |   |   |
| General Disclosure                               | Replaced by Climate-related Disclosures   |   |
| A4.1   | Replaced by Climate-related Disclosures   |   |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Indicators                          | Description   | Section/Declaration          |
|-------------------------------------|---|------------------------------|
| <b>B. Social</b>                    |   |                              |
| <b>B1. Employment</b>               |   |                              |
| General Disclosure                  | Information on:<br>(a) the policies; and<br>(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. | B1. Employment               |
| B1.1                                | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region   | B1. Employment               |
| B1.2                                | Employee turnover rate by gender, age group and geographical region.  | B1. Employment               |
| <b>B2. Health and Safety</b>        |   |                              |
| General Disclosure                  | Information on:<br>(a) the policies; and<br>(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.   | B2. Health and Safety        |
| B2.1                                | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.   | B2. Health and Safety        |
| B2.2                                | Lost days due to work injury.   | B2. Health and Safety        |
| B2.3                                | Description of occupational health and safety measures adopted, how they are implemented and monitored.   | B2. Health and Safety        |
| <b>B3. Development and Training</b> |   |                              |
| General Disclosure                  | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | B3. Development and Training |
| B3.1                                | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | B3. Development and Training |
| B3.2                                | The average training hours completed per employee by gender and employee category.  | B3. Development and Training |
| <b>B4. Labour Standards</b>         |   |                              |
| General Disclosure                  | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.  | B4. Labour Standards         |
| B4.1                                | Description of measures to review employment practices to avoid child and forced labour.  | B4. Labour Standards         |
| B4.2                                | Description of steps taken to eliminate such practices when discovered.   | B4. Labour Standards         |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Indicators                         | Description   | Section/Declaration         |
|------------------------------------|---|-----------------------------|
| <b>B5. Supply Chain Management</b> |   |                             |
| General Disclosure                 | Policies on managing environmental and social risks of the supply chain.  | B5. Supply Chain Management |
| B5.1                               | Number of suppliers by geographical region.   | B5. Supply Chain Management |
| B5.2                               | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.   | B5. Supply Chain Management |
| B5.3                               | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.  | B5. Supply Chain Management |
| B5.4                               | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.   | B5. Supply Chain Management |
| <b>B6. Product Responsibility</b>  |   |                             |
| General Disclosure                 | Information on:<br>(a) the policies; and<br>(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. | B6. Product Responsibility  |
| B6.1                               | Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | B6. Product Responsibility  |
| B6.2                               | Number of products- and service-related complaints received and how they are dealt with.  | B6. Product Responsibility  |
| B6.3                               | Description of practices relating to observing and protecting intellectual property rights.   | B6. Product Responsibility  |
| B6.4                               | Description of quality assurance process and recall procedures.   | B6. Product Responsibility  |
| B6.5                               | Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | B6. Product Responsibility  |
| <b>B7. Anti-corruption</b>         |   |                             |
| General Disclosure                 | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.  | B7. Anti-corruption         |
| 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.  | B7. Anti-corruption         |
| B7.2                               | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.   | B7. Anti-corruption         |
| B7.3                               | Description of anti-corruption training provided to directors and staff.  | B7. Anti-corruption         |
| <b>B8. Community Investment</b>    |   |                             |
| General Disclosure                 | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.  | B8. Community Investment    |
| B8.1                               | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).   | B8. Community Investment    |
| B8.2                               | Resources contributed (e.g. money or time) to the focus area.   | B8. Community Investment    |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED – PART D CLIMATE-RELATED DISCLOSURES

| <b>Climate-related Disclosures</b> | <b>Description</b>   | <b>Section/Declaration</b>  |
|------------------------------------|--|---|
| Governance                         | Governance   | Governance Structure and Statement of the Board; Governance   |
| Strategy                           | Climate-related Risks and Opportunities  | Strategy – Managing Climate-related Risks and Opportunities   |
|                                    | Business Model and Value Chain   | Strategy – Effects on Business Model and Value Chain  |
|                                    | Strategy and Decision-making   | Strategy – Our Adaptation and Mitigation Plans; Our Long-term Transition Plan                       |
|                                    | Financial Position, Financial Performance and Cash Flows   | Strategy – Current and Anticipated Financial Effect   |
|                                    | Climate Resilience   | Strategy – Climate Resilience   |
| Risk Management                    | Risk Management  | Risk Management   |
| Metrics and Targets                | GHG Emissions  | A1. Emissions   |
|                                    | Cross-industry Metrics <ul style="list-style-type: none"> <li>Climate-related Physical Risks</li> <li>Climate-related Transition Risks</li> <li>Climate-related Opportunities</li> </ul> | The Group has applied implementation relief.  |
|                                    | Cross-industry Metrics <ul style="list-style-type: none"> <li>Capital Deployment</li> </ul>  | Strategy – Our Adaptation and Mitigation Plans  |
|                                    | Internal Carbon Prices   | Strategy – Our Adaptation and Mitigation Plans  |
|                                    | Remuneration   | Governance  |
|                                    | Industry-based Metrics   | The Group has not applied the industry-based metrics under the Industry-based Guidance for IFRS S2. |
|                                    | Climate-related Targets  | Strategy – Our Long-term Transition Plan  |

# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group during the year consisted of (a) retail management business including sales of furniture and household items, electrical appliances and pets accessories through the chain stores under multi-brand names including "Pricerite Home", "TMF", "Pricerite Creations" and "Pricerite Pet" in Hong Kong; (b) the provision of investment management services to investors (the "Investment Management Business"); and (c) the other financial services business (other than the Investment Management Business) provided through CFSG (a 64.78%-owned listed subsidiary of the Company).

## RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 81 of this annual report.

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

## BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development and possible risks and uncertainties that the Group may be facing are provided in the sections of "Financial Review", "Management Discussion and Analysis" and "Chairman's Letter" of this annual report and note 40 to the consolidated financial statements.

The financial risk management objectives and policies of the Group are shown in note 39 to the consolidated financial statements.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the section of "Financial Review" of this annual report.

Save as disclosed in this annual report, there is no important event affecting the Group that have occurred since the end of the financial year ended 31 December 2025.

## RELATIONSHIPS WITH STAKEHOLDERS

We fully understand that our business is built on the long-term well-being of the "people" in our service areas at large.

Throughout the course of our business development, we care about the needs of our key stakeholders, inter alia, our shareholders, our employees, our customers, our suppliers and our community. As such, we strive to become a "Total Caring Organisation" to embrace the all-round needs of our key stakeholders.

The Group upholds the "People-oriented" principle as our core belief and this forms the essence of our corporate culture. We respect the various needs of these "people" as our stakeholders and we strive to balance the different spectrum of interests for the development of a better future.

Our five core values namely "People", "Customers", "Quality", "Teamwork" and "Change" serve as the guiding principles for the whole team to move ahead.

We are dedicated to creating an enjoyable work environment to highly engage our employees so as to maximise their potential, meeting the needs of our customers with quality products and innovative services and enhancing cooperation with our suppliers so as to provide high-quality products and services to our customers so as to ensure our sustainable development.

# DIRECTORS' REPORT

## Shareholders

The Group is committed to communicating with our shareholders and the financial community proactively, transparently and effectively, and thereby ensuring consistent and timely dissemination of information to shareholders and potential investors.

We have established effective channels of communication with our shareholders to ensure that the corporate information is readily accessible. Corporate communications materials with regard to regulatory disclosures and notices of the Company, such as financial reports, results announcements, corporate announcements and circulars will be distributed according to the principles of continuous disclosure, and complies with the legal and regulatory requirement applicable to the Company. Corporate communications and other general information concerning the Company and its businesses such as press releases will be posted on the corporate website ([www.cash.com.hk](http://www.cash.com.hk)) and distributed to the media as soon as practicable. The Company adheres to its corporate policy of not disclosing unpublished or potentially price-sensitive information such as sales and profit forecasts.

## Employees

Our staff is regarded as the most important asset of the Group. We offer a competitive remuneration package and great opportunities for career advancement based on performance-linked appraisal system. Our passion in fostering a learning culture is recognised. The honour of "Super MD" from Employees Retraining Board ("ERB") Manpower Developer Award Scheme recognises the Group's efforts and commitment to training and development. We also provide our staff with regular trainings, including internal trainings and refresher courses offered by professional organisations, so as to keep them abreast of the latest development in the market, industry and various businesses.

The Group is committed to the well-being of our employees as we believe that a healthy body and soul will have a positive impact on people's professional and personal lives.

Along with initiatives designed to improve the health, safety and well-being of our employees, the Group also offers recreational and educational activities in different topics such as professional growth, work-life balance, health and safety, rewards and recognitions, employees' families, amazing occasions to help staff to pursue their interests, explore their full potential and recharge after work. The Group is the "Family-Friendly Employer" under the scheme by the Home Affairs Bureau and the Family Council in recognition of our family-friendly employment policies and practices which have positive impact to the Company and employees' family life.

In recognition of our commitment and effort in developing employee-orientated human resources management and promoting Family-friendly Employment Practices, we have been recognised as a Signatory of Good Employer Charter under the scheme by the Labour Department.

We sincerely care about our employees' retirement needs and have gone the extra mile to provide additional retirement benefits for them. The Group, CFSG and Pricerite Home have been awarded the accolade of Good MPF Employer with e-Contribution Award & MPF Support Award by the Mandatory Provident Fund Schemes Authority (MPFA).

CFSG and Pricerite Home were honoured by UNICEF with the Certificate of Appreciation for being a Breastfeeding Friendly Workplace in recognition of their support for mothers to continue breastfeeding and provide optimal nutrition to the next generation upon their return to work.

## Customers

We value the customers' interests as the first priority. It is our mission to provide customers with a meaningful experience when utilising our services.

We value the feedback from customers and always try to understand their thoughts through Internet, daily communication, customer services and after-sale services etc. In addition, we also set up website, e-portal, email, Facebook and customer service hotline to respond to the feedback of customers.

# DIRECTORS' REPORT

In recognition of Pricerite Home's excellent quality service performance, the Company was accredited with Hong Kong Retail Management Association's (HKRMA) "Quality Service Recognition" and was named the 2025 Quality Service Retailer of the Year in the Home and Living Products Category. Pricerite Home has been acknowledged as a QTS Scheme Merchant for 20 consecutive years, and TMF has also been recognised as a QTS Scheme Merchant by Hong Kong Tourism Board, reflecting their commitment to high standards of product quality and service.

Pricerite Home received Hong Kong Q-Mark Service Scheme Certificate from the Federation of Hong Kong Industries, proving that the service provided by the Company is of high quality and meets the standards set by the prestigious certification scheme.

Pricerite Home received the "Sing Tao Daily Star Diamond Service Award" from Sing Tao News Corporation, The award highly recognises Pricerite Home for its excellence in brand recognition, service quality, brand positioning, reputation, market satisfaction, understanding of customer needs, and service support.

Pricerite Home and CFSG have been recognised as "Hong Kong Premier Service Brand" and "Hong Kong Top Service Brand" respectively in Hong Kong Top Brand Mark Scheme by Hong Kong Brand Development Council.

Quantphemes has been awarded the "Outstanding Artificial Intelligence Algorithm Trading Platform" award at the "FinTech Awards 2024" organised by ET NET. This award not only recognises the exceptional performance of the Quantphemes trading platform but also acknowledges the team's outstanding achievements in the field of financial technology, demonstrating its solid strength and industry-leading position.

Mr Jeffrey Kwan, the Deputy CEO and Executive Director of CFSG, has been awarded the "2024 Forbes China New Generation Innovator" award by Forbes China in recognition of his outstanding contributions and achievements in driving financial innovation and promoting industry development. This honour not only highlights his leadership and innovative capabilities in the financial sector but also acknowledges the exceptional performance of the CFSG team, reflecting the excellent results of their collaborative efforts.

## **Suppliers**

We firmly believe that our suppliers are equally important in building high-quality businesses. We proactively communicate with our suppliers to ensure they are committed to delivering high-quality and sustainable products and services.

## **Community**

The Group is devoted to supporting the community in which we operate through donation, education, volunteering and encourage others to give.

Over the past years, we show our care about the community with unsparing support for wide-ranging community services and charities. We have also been encouraging our employees and their family members to take part in voluntary services after work and serve the disadvantaged in the community.

Showing the sustainability and breadth of our corporate social responsibility efforts, the Group and CFSG have been awarded the accolade of "15 Years Plus Caring Company" and Pricerite Home has been awarded the accolade of "20 Years Plus Caring Company" by the Hong Kong Council of Social Service (HKCSS) in recognition of our achievements in "Caring for the Community", "Caring for the Employee" and "Caring for the Environment". They serve as a recognition for our contribution to community services and commitment to employee engagement.

CFSG was honoured by UNICEF with the Certificate of Appreciation for being an Effective Outreach Partner of the Say Yes To Breastfeeding Campaign 2025/26, and Pricerite Home received the Certificate of Appreciation (Gold Label) for being a Breastfeeding Friendly Premises. This recognition underscores CFSG's support in promoting breastfeeding, while acknowledging Pricerite Home's commitment to creating a breastfeeding-friendly environment.

# DIRECTORS' REPORT

## ENVIRONMENTAL POLICY AND PERFORMANCE

As a total caring organisation, the Group is dedicated to keeping the environmental impact of our operations to a minimum, balancing business needs with conservation.

The Group adopted "Green Office Policy" with various measures regarding minimisation of energy and paper consumption and recycling being implemented. We also execute different types of "Green Office Campaign" in our office to enhance staff awareness and participation for environmental protection.

Over the years, the Group has participated in various environmental protection programmes and campaigns organised by reputable institutions and have been recognised with awards. CASH, CFSG and Pricerite Home received Wastewi\$e Certificate (Good Level) at 2025 Hong Kong Awards for Environmental Excellence from Environmental Campaign Committee. Pricerite Home has been recognised as the "Hong Kong Green Organisation" by the Committee. The achievements highlighted the Group's total caring culture and commitment to responsible business.

Details of the environmental (including climate-related) policies and performances are set out in the Environmental, Social and Governance Report on pages 37 to 64.

## COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular, those have significant impact on the Group. During the year, the Group has materially complied with the relevant laws and regulations on corporate level as well as those that have a significant impact on the operations of the Group.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the audited results and the assets and liabilities of the Group for the last five financial years ended 31 December 2025 is set out on pages 169 to 170 of this annual report.

## PROPERTY AND EQUIPMENT

Details of movements during the year in the property and equipment of the Group are set out in note 17 to the consolidated financial statements.

## SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 46 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 36 to the consolidated financial statements.

## RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the year are set out in the "Consolidated Statement of Changes in Equity" of the consolidated financial statements on pages 84 to 85 of this annual report.

Details of movements in the reserves of the Company during the year are shown in note 47 to the consolidated financial statements.

At 31 December 2025, the Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to approximately HK\$3,087,000.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

# DIRECTORS' REPORT

## RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in notes 34 and 43 to the consolidated financial statements and those related party transactions which are connected transactions or continuing connected transactions exempted from announcement, reporting, annual review and shareholders' approval requirement under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in relation to the related party transaction of the Group during the year.

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the Group's turnover attributable to the five largest customers accounted for less than 30% of the Group's total turnover.

In the year under review, the Group's purchases attributable to the five largest suppliers accounted for less than 30% of the Group's total purchases.

## DIRECTORS

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

### **Executive Directors:**

Kwan Pak Hoo Bankee  
Leung Siu Pong James (resigned on 2 July 2025)  
Kwan Teng Hin Jeffrey  
Cheung Tsz Yui Morton  
Kwan Iec Teng Janet

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

Leung Ka Kui Johnny  
Wong Chuk Yan  
Chan Hak Sin

The following Directors shall retire and, being eligible, offer themselves for re-election at the forthcoming AGM:

- (i) Dr Kwan Pak Hoo Bankee and Mr Kwan Teng Hin Jeffrey, all being EDs, shall retire at least once in every 3 years at the AGM in accordance with the Company's bye-laws and corporate governance code; and
- (ii) Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, all being INEDs, shall retire at the AGM in each year in accordance with their terms of office of directorship.

## DISCLOSURE OF INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr Wong Chuk Yan and Ms Kwan Iec Teng Janet have been appointed as members of the Nomination Committee of the Company with effect from 1 September 2025.

Save as disclosed above, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Company within one year without payment of compensation, other than statutory obligation.

# DIRECTORS' REPORT

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed under the heading of "Related Party Transaction" in this section above or are connected transactions exempted from announcement, reporting, annual review and shareholders' approval requirement under Chapter 14A of the Listing Rules, no transaction, arrangement, or contract of significance to which the Group was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

## RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in note 42 to the consolidated financial statements.

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2025, the interests or short positions of each Director and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept under section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### A. The Company

#### *Long positions in the Shares and underlying Shares of the Company*

| Name of Director                   | Nature of interest | Number of Shares held | Number of underlying Shares held | Total number of Shares/ underlying Shares held | Approximately % of shareholding (Note 2) |
|------------------------------------|--------------------|-----------------------|----------------------------------|--|--|
| Kwan Pak Hoo Bankee<br>("Dr Kwan") | Personal           | 622,501               | –                                | 622,501  | 0.77                                     |
|                                    | Corporate (Note 1) | 39,599,098            | 16,000,000                       | 55,599,098                                     | 68.89                                    |
|                                    |                    | 40,221,599            | 16,000,000                       | 56,221,599                                     | 69.66                                    |

Notes:

- The Shares and the underlying Shares were held by Cash Guardian Limited ("Cash Guardian") (a wholly-owned subsidiary of Hobart Assets Limited ("Hobart Assets"), which in turn was 100% beneficially owned by Dr Kwan. The underlying Shares, represents 16,000,000 Shares would be issued upon the full conversion of the Convertible Bonds. Pursuant to the SFO, Dr Kwan and Hobart Assets were deemed to be interested in such Shares and underlying Shares held by Cash Guardian as disclosed in the "Substantial Shareholders" below.
- The percentage was calculated based on 80,698,181 shares of the Company in issue as at 31 December 2025.

### B. The subsidiary

#### **CFSG**

#### *Long positions in the ordinary shares and underlying shares of CFSG*

| Name of Director                   | Nature of interest | Number of shares held           | Number of underlying shares held under the CFSG Share Option Scheme | Total number of shares held/ underlying shares held under the CFSG Share Option Scheme | Approximately % of shareholding (Note 7) |
|------------------------------------|--------------------|---------------------------------|---|--|--|
| Kwan Pak Hoo Bankee<br>("Dr Kwan") | Personal           | 28,224,000                      | 4,000,000 <sup>(Note 1)</sup>                                       | 310,213,563  | 71.94                                    |
|                                    | Corporate          | 277,989,563 <sup>(Note 2)</sup> | –   | –  | –  |
| Kwan Teng Hin Jeffrey              | Personal           | 6,576,000                       | 4,000,000 <sup>(Note 3)</sup>                                       | 10,576,000   | 2.45                                     |
| Cheung Tsz Yui Morton              | Personal           | 4,098,000                       | 4,000,000 <sup>(Note 4)</sup>                                       | 8,098,000  | 1.87                                     |
| Kwan Iec Teng Janet                | Personal           | –                               | 2,000,000 <sup>(Note 5)</sup>                                       | 2,000,000  | 0.46                                     |

# DIRECTORS' REPORT

Notes:

1. The 4,000,000 underlying shares represents the outstanding share options under the CFSG Share Option Scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".
2. The shares were held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by the Company. The Company was beneficially owned as to approximately 49.84% by Dr Kwan, details of which are disclosed in the heading of "Substantial Shareholders" below. Pursuant to the SFO, Dr Kwan was deemed to be interested in all these shares held by CIGL in CFSG as a result of his interest in the Company.
3. The 4,000,000 underlying shares represents the outstanding share options under the CFSG Share Option Scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".
4. The 4,000,000 underlying shares represents the outstanding share options under the CFSG Share Option Scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".
5. The 2,000,000 underlying shares represents the outstanding share options under the CFSG Share Option Scheme. Details of the share options of CFSG granted to this director are set out below under "Share Option Schemes".
6. The percentage was calculated based on 431,174,779 shares of CFSG in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

## SHARE OPTION SCHEMES

### A. The Company

The Share Option Scheme was adopted pursuant to an ordinary resolution passed at the SGM held on 30 September 2021. The Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules which came into effect on 1 January 2023. The Company will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the Share Option Scheme.

No share option has been granted by the Company and no share options were outstanding, lapsed, cancelled or exercised under the Share Option Scheme for the year ended 31 December 2025. Particulars of the Share Option Scheme are set out in note 40 to the consolidated financial statements.

The total number of options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2025 and 31 December 2025 was 8,072,018.

The total number of Shares available for issue under the Share Option Scheme as at the date of this annual report is 8,072,018, representing approximately 10.00% of the weighted average number of issued shares of the Company as at the date of this annual report.

# DIRECTORS' REPORT

## B. The subsidiary

### CFSG

The CFSG Share Option Scheme was adopted pursuant to an ordinary resolution passed at the annual general meeting of CFSG held on 8 June 2018. The CFSG Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules which came into effect on 1 January 2023. CFSG will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the CFSG Share Option Scheme.

Details of the movements in the share options to subscribe for shares of HK\$0.04 each in CFSG granted under the CFSG Share Option Scheme during the year ended 31 December 2025 are set out below:

| Name                                      | Date of grant | Exercise Period         | Exercise price per share (HK\$) | Note    | Number of options    |                         |                           |   |                        |
|---|---------------|-------------------------|---------------------------------|---------|----------------------|-------------------------|---------------------------|---|------------------------|
|   |               |                         |                                 |         | As at 1 January 2025 | Granted during the year | Exercised during the year | Lapsed/cancelled during the year (Note 9) | As at 31 December 2025 |
| <b>Directors:</b>                         |               |                         |                                 |         |                      |                         |                           |   |                        |
| Kwan Pak Hoo Bankee                       | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | 1       | -                    | 4,000,000               | -                         | -   | 4,000,000              |
| Kwan Teng Hin Jeffrey                     | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | 1       | -                    | 4,000,000               | -                         | -   | 4,000,000              |
| Cheung Tsz Yui Morton                     | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | 1       | -                    | 4,000,000               | -                         | -   | 4,000,000              |
| Kwan Iec Teng Janet                       | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | 1       | -                    | 2,000,000               | -                         | -   | 2,000,000              |
| <b>Employee Participants</b><br>(Note 12) | 29/07/2021    | 01/08/2021 – 31/07/2025 | 0.572                           | 2, 3, 4 | 525,000              | -                       | -                         | (525,000)                                 | -                      |
|   | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | 1       | -                    | 3,000,000               | -                         | -   | 3,000,000              |
|   | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | 5       | -                    | 9,000,000               | -                         | -   | 9,000,000              |
|   |               |                         |                                 |         | 525,000              | 26,000,000              | -                         | (525,000)                                 | 26,000,000             |

Notes:

- The options are vested and exercisable on the first date of the exercise period. There is no performance target attached to the options granted.
- The options are vested in 4 tranches as to 25% exercisable from 1 August 2021 to 31 July 2022, 25% exercisable from 1 August 2022 to 31 July 2023, 25% exercisable from 1 August 2023 to 31 July 2024 and 25% exercisable from 1 August 2024 to 31 July 2025 respectively.
- The options are subject to the achievement of agreed milestones/performance indicators and/or business budget plan for the relevant year during the option period as approved by the chairman of the CFSG board and/or the CFSG board determined at their sole discretion.
- The options must be exercised within 1 month from the date on which the CFSG board's approval of the vesting of the options.
- The vesting period of the options shall be 12 months from the date of grant (both days inclusive). These options shall be vested on the day of fulfillment of the performance target (the "Performance Target") by the relevant grantees to be appraised and confirmed by the CFSG board. The Performance Target is subject to (a) satisfaction of performance targets to be determined by the CFSG board with reference to, including but not limited to, the budget achievement of the CFSG Group as a whole, the individual performance appraisal of the grantees; and other key performance indicators as determined by the CFSG board; or (b) at the CFSG board's sole discretion.
- The closing price immediately before the date on which the options were granted on 14 July 2025 was HK\$0.455 per Share.
- The fair value of the options granted on 14 July 2025 was HK\$0.20 per share of CFSG at the date of grant.

# DIRECTORS' REPORT

8. No options was exercised or cancelled during the year ended 31 December 2025.
9. The lapsed options were due to expiry of the options in accordance with the terms of the share options.
10. None of the participants has been granted with options in excess of the 1% individual limit.
11. Details of the valuation of share options of CFSG during the year ended 31 December 2025, including the accounting standard and policy adopted for the options, are set out in note 40 to the consolidated financial statements.
12. Employee Participants include directors and employees of the Company and its subsidiaries.
13. The total number of options available for grant under the scheme mandate of the CFSG Share Option Scheme as at 1 January 2025 and 31 December 2025 were 26,117,477 and 117,477, respectively.
14. The total number of shares available for issue under the CFSG Share Option Scheme as at the date of this annual report is 26,117,477, representing approximately 6.06% of the issued shares of CFSG as at the date of this annual report.
15. The total number of shares that may be issued in respect of options granted under all shares scheme of CFSG during the year ended 31 December 2025 divided by the weighted average number of CFSG shares in issue for the year was 6.03%.

## SHARE AWARD SCHEME

### The subsidiary

#### CFSG

CFSG has adopted a share award scheme on 1 December 2022 (the "Share Award Scheme"). The Share Award Scheme, which is funded by the existing shares of CFSG, does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules. The total number of share awards available for grant under the scheme mandate of the Share Award Scheme as at 1 January 2025 and 31 December 2025 were 26,117,477 and 7,835,477, respectively.

Particulars of the terms of the Share Award Scheme are set out in note 41 to the consolidated financial statements.

During the year, a total of 18,282,000 awarded shares were granted under the Share Award Scheme, out of which 6,294,000 awarded shares were granted to the executive directors of the Company. As at 31 December 2025, the Company did not have any outstanding share awards under the Share Award Scheme and no trustee is holding any unvested shares under the Share Award Scheme.

Details of movements of awarded shares of the Company during the year ended 31 December 2025 are as follows:

| Name  | Date of grant | Number of awarded shares   |                               |                              |                              |
|---|---------------|----------------------------|-------------------------------|------------------------------|------------------------------|
|   |               | As at<br>1 January<br>2025 | Granted<br>during<br>the year | Vested<br>during<br>the year | As at<br>31 December<br>2025 |
| <b>Directors:</b>   |               |                            |                               |                              |                              |
| Kwan Pak Hoo Bankee   | 22/07/2025    | –                          | 2,100,000                     | (2,100,000)                  | –                            |
| Kwan Teng Hin Jeffrey   | 22/07/2025    | –                          | 2,100,000                     | (2,100,000)                  | –                            |
| Cheung Tsz Yui Morton   | 22/07/2025    | –                          | 2,094,000                     | (2,094,000)                  | –                            |
| <b>The five highest paid individuals</b> (other than Directors) | 15/07/2025    | –                          | 7,992,000                     | (7,992,000)                  | –                            |
| <b>Other grantee</b>  | 15/07/2025    | –                          | 3,996,000                     | (3,996,000)                  | –                            |
|   |               | –                          | 18,282,000                    | (18,282,000)                 | –                            |

# DIRECTORS' REPORT

Notes:

1. The closing price immediately before the date on which the awarded shares were granted on 15 July 2025 and 22 July 2025 was HK\$0.440 per share and HK\$0.415 per share, respectively.
2. The fair value of the awarded shares granted on 15 July 2025 and 22 July 2025 was HK\$0.375 per share and HK\$0.395 per share, respectively at the date of grant.
3. There is no exercise/purchase price payable by the Grantees and no fee payable by the Grantees for application or acceptance of the awarded shares.
4. The weighted average closing price of the shares immediately before the awards were vested on 15 July 2025 and 22 July 2025 was HK\$0.440 per share and HK\$0.415 per share, respectively.
5. No awarded shares granted were lapsed or cancelled during the year ended 31 December 2025.
6. All of the grants made during the year ended 31 December 2025 were made without any performance targets and vesting period.
7. Details of the valuation of share awards during the year ended 31 December 2025, including the accounting standard and policy adopted for the Share Award Scheme, are set out in note 41 to the consolidated financial statements.

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, so far as is known to the Directors and chief executive of the Company, the persons/companies (other than a Director or chief executive of the Company) who had, or were deemed or taken to have an interest or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

| Name                                | Capacity  | Number of Shares | Number of underlying Shares | Total number of Shares/ underlying Shares | Approximately % Shareholding (Note 8) |
|-------------------------------------|---|------------------|-----------------------------|---|---------------------------------------|
| Hobart Assets Limited (Notes 1 & 2) | Interest in a controlled corporation                                      | 39,599,098       | 16,000,000                  | 55,599,098                                | 68.89                                 |
| Cash Guardian (Notes 1 & 2)         | Beneficial owner  | 39,599,098       | 16,000,000                  | 55,599,098                                | 68.89                                 |
| Mr Wang Shui Ming (Note 3)          | Beneficial owner, interest in a controlled corporation and other interest | 4,110,245        | –                           | 4,110,245                                 | 5.09                                  |
| Mr Lai Wing Hung (Note 4)           | Beneficial owner, interest in a controlled corporation and other interest | 4,847,405        | –                           | 4,847,405                                 | 6.00                                  |
| Ms Leung Ka May Liza (Note 5)       | Beneficial owner and other interest                                       | 4,847,405        | –                           | 4,847,405                                 | 6.00                                  |
| Mr Tam Cheuk Ho (Note 6)            | Interest in controlled corporations                                       | 3,163,817        | 3,200,000                   | 6,363,817                                 | 7.88                                  |
| Mr Law Ping Wah (Note 7)            | Beneficial owner  | 2,441,166        | 3,200,000                   | 5,641,166                                 | 6.99                                  |

# DIRECTORS' REPORT

## Notes:

1. The Shares and the underlying Shares were held by Cash Guardian, a wholly-owned subsidiary of Hobart Assets Limited ("Hobart Assets"), which in turn was 100% beneficially owned by Dr Kwan. The underlying Shares, represents 16,000,000 Shares would be issued upon the full conversion of the Convertible Bonds. Pursuant to the SFO, Dr Kwan and Hobart Assets were deemed to be interested in such Shares and underlying Shares held by Cash Guardian.
2. Dr Kwan (a Director whose interests is not shown in the above table) was interested and/or deemed be interested in a total of (i) 40,221,599 Shares (approximately 49.84%), which were held as to 39,599,098 Shares by Cash Guardian and as to 622,501 Shares in his personal name; and (ii) 16,000,000 underlying Shares held by Cash Guardian, which represents 16,000,000 Shares would be issued upon full conversion of the Convertible Bonds. Detail of his interest is set out in the section "Directors Interests in Securities" above.
3. The shareholding interest of Mr Wang Shui Ming was based on the notice dated 7 September 2020 (filed by him on 9 September 2020) pursuant to Divisions 2 and 3 of Part XV of the SFO after adjusting the number of Shares held by him due to the 20-to-1 share consolidation of the Company which took effect on 7 September 2020. Based on the said notice filed by Mr Wang Shui Ming, the Shares were held as to 1,022,061 in his personal name, as to 2,223,607 held by Mingtak Holdings Limited (a 100%-owned controlled corporation of Mr Wang Shui Ming), and 864,577 held by him as nominee under a power of attorney. Pursuant to the SFO, Mr Wang Shui Ming was deemed to be interested in all these Shares.
4. The shareholding interest of Mr Lai Wing Hung ("Mr Lai") was based on a notice filed by him on 3 March 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Mr Lai, the Shares were held as to 3,697,000 in his personal name, as to 414,405 held by Grimsby Consultants Limited (a 100%-owned controlled corporation of Mr Lai) and as to 736,000 held by Ms Leung Ka May Liza, spouse of Mr Lai. Pursuant to the SFO, Mr Lai was deemed to be interested in all these Shares.
5. The shareholding interest of Ms Leung Ka May ("Ms Leung") was based on a notice filed by her on 3 March 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Ms Leung, the Shares were held as to 736,000 in her personal name, as to 4,111,405 held by Mr Lai Wing Hung, spouse of Ms Leung. Pursuant to the SFO, Ms Leung was deemed to be interested in all these Shares.
6. The shareholding interest of Mr Tam Cheuk Ho ("Mr Tam") was based on a notice filed by him on 12 June 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. The interests comprises 3,163,817 Shares and 3,200,000 underlying Shares. Based on the said notice filed by Mr Tam, he is deemed to be interested in (i) 304,519 Shares held by Anka Capital Limited ("Anka Capital") (a 50%-owned controlled corporation of Mr Tam) of which 177,889 Shares were held beneficially and 126,630 Shares were held through Elrond Limited (a wholly-owned subsidiary of Anka Capital); and (ii) 2,859,298 Shares held by Suncraft Limited (a 100%-owned controlled corporation of Mr Tam). The underlying Shares were held by Anka Capital and represents 3,200,000 Shares would be issued upon full conversion of the Convertible Bonds. Pursuant to the SFO, Mr Tam was deemed to be interested in all such Shares and underlying Shares held by Anka Capital, Elrond Limited and Suncraft Limited.
7. The shareholding interest of Mr Law Ping Wah ("Mr Law") was based on a notice filed by him on 24 July 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. The interests comprises 2,441,166 Shares and 3,200,000 underlying Shares which were held in his personal name. The underlying Shares, represents 3,200,000 Shares would be issued upon the full conversion of the Convertible Bonds.
8. The percentage was calculated based on 80,698,181 shares of the Company in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Directors and chief executive of the Company were not aware of any other parties or corporation (other than a Director or chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

# DIRECTORS' REPORT

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, the Company purchased a total of 22,000 Shares on the Stock Exchange, details of which are as follows:

| Date of purchase | Number of Shares purchased | Price paid per Share       |                           |
|------------------|----------------------------|----------------------------|---------------------------|
|                  |                            | Highest price paid<br>HK\$ | Lowest price paid<br>HK\$ |
| 1. 7 April 2025  | 10,000                     | 0.78                       | 0.78                      |
| 2. 17 April 2025 | 12,000                     | 0.59                       | 0.58                      |

Save as disclosed above, the Company has not purchased, sold or redeemed any of its listed securities during the year ended 31 December 2025.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of not less than 25% of its Shares in the hands of the public in accordance with the Listing Rules as at the latest practicable date prior to the issue of this annual report.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2025.

## EQUITY-LINKED AGREEMENTS

Save as the share option schemes and share award scheme of the Group as disclosed in notes 40 and 41 to the consolidated financial statements, no equity-linked agreements were entered into by the Group during the year ended 31 December 2025 or subsisted at the end of the year.

## PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout the financial year.

## CONFIRMATION OF INDEPENDENCE

The Company has received a written confirmation in respect of independence from each of the INEDs in compliance with rule 3.13 of the Listing Rules, and the Company still considers that each of them to be independent.

## AUDITOR

There have been no changes of auditor in the preceding three years.

The consolidated financial statements of the Company for the year were audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board  
**Dr Bankee P. Kwan, BBS, JP**  
Chairman & CEO

Hong Kong, 27 March 2026

# INDEPENDENT AUDITOR'S REPORT

**Deloitte.**

德勤

**TO THE MEMBERS OF CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

## **Opinion**

We have audited the consolidated financial statements of Celestial Asia Securities Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 81 to 168, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

## **Basis for Opinion**

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

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

### Key audit matter

*Impairment assessment on goodwill and intangible assets with indefinite useful life allocated to the retailing business*

We identified the impairment assessment of goodwill and trademark with indefinite useful life allocated to the group of cash-generating units ("CGUs") of retailing business as a key audit matter due to their significance to the consolidated financial statements as a whole and significant judgment and estimate involved in determining the recoverable amounts for the purposes of impairment assessment.

As at 31 December 2025, the carrying amounts for impairment assessment of goodwill and trademark allocated to the group of CGUs of retailing business were HK\$39,443,000 and HK\$38,000,000 respectively.

As set out in notes 4 and 21 to the consolidated financial statements, the recoverable amount of the group of CGUs of retailing business is determined by management of the Group with reference to the higher of its value in use and fair value less costs of disposal. The recoverable amount has been determined based on value in use calculations. The management of the Group estimated the value in use using the present value of the future cash flows expected to be generated by the CGUs based on the cash flows from operations, taking into account revenue growth rates, gross margin and long term growth rate used in the cash flow projections and a suitable discount rate by reference to comparable companies.

Accordingly, based on the results of the impairment assessment conducted by management of the Group, no impairment loss in respect of goodwill and trademark has been recognised.

Further details of the impairment assessment are set out in note 21 to the consolidated financial statements.

### How our audit addressed the key audit matter

Our procedures in relation to the impairment assessment on goodwill and intangible assets with indefinite useful life allocated to group of CGUs of the retailing business included:

- understanding the impairment assessment of goodwill and intangible assets with indefinite useful performed by management of the Group;
- involving internal valuation specialists in evaluating the mathematical accuracy of the value in use calculations and the reasonableness of key assumptions and inputs used by the management of the Group, including the future cash flows expected to be generated by the retailing business based on the cash flows from operations, taking into account revenue growth rates, gross margin and long term growth rate used in the cash flow projections and a suitable discount rate by reference to comparable companies; and
- comparing the recoverable amount of the group of CGUs of retailing business with its carrying amount.

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## Other Information

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

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

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

## Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is POON, Kam Chuen (practising certificate number: P06225).

## **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

|   | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|-------|------------------|------------------|
| Revenue   | 5     | 767,443          | 883,657          |
| Cost of inventories   | 14    | (410,825)        | (468,124)        |
| Other income  | 7     | 10,839           | 7,773            |
| Other gains and losses, net   | 7     | 14,763           | 19,399           |
| Salaries, allowances and related benefits   | 8     | (154,092)        | (179,236)        |
| Other operating, administrative and selling expenses  | 11    | (194,447)        | (207,903)        |
| Impairment losses under expected credit loss model, net of reversal                             | 10    | (284)            | (381)            |
| Depreciation of property and equipment  | 17    | (8,100)          | (10,703)         |
| Depreciation of right-of-use assets   | 14    | (75,526)         | (88,818)         |
| Finance costs   | 9     | (17,424)         | (21,260)         |
| Loss before taxation  |       | (67,653)         | (65,596)         |
| Income tax (expense) credit   | 13    | (3,637)          | 1,814            |
| Loss for the year   | 14    | (71,290)         | (63,782)         |
| <b>Other comprehensive income (expense) for the year, net of income tax</b>                     |       |                  |                  |
| Items that will not be reclassified to profit or loss:  |       |                  |                  |
| Fair value loss on financial assets at fair value through other comprehensive income ("FVTOCI") |       | –                | (4,072)          |
| Items that may be reclassified subsequently to profit or loss:                                  |       |                  |                  |
| Exchange difference on translation of foreign operations  |       | 2,726            | (591)            |
|   |       | 2,726            | (4,663)          |
| <b>Total comprehensive expense for the year</b>   |       | <b>(68,564)</b>  | <b>(68,445)</b>  |
| <b>Loss for the year attributable to:</b>   |       |                  |                  |
| Owners of the Company   |       | (52,762)         | (58,266)         |
| Non-controlling interests   |       | (18,528)         | (5,516)          |
|   |       | (71,290)         | (63,782)         |
| <b>Total comprehensive expense for the year attributable to:</b>                                |       |                  |                  |
| Owners of the Company   |       | (50,036)         | (62,929)         |
| Non-controlling interests   |       | (18,528)         | (5,516)          |
|   |       | (68,564)         | (68,445)         |
| <b>Loss per share</b>   |       |                  |                  |
|   | 15    |                  |                  |
| – Basic (HK cents)  |       | (65.37)          | (72.18)          |
| – Diluted (HK cents)  |       | (65.37)          | (72.18)          |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

|  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|-------|------------------|------------------|
| <b>Non-current assets</b>  |       |                  |                  |
| Property and equipment   | 17    | 10,821           | 18,772           |
| Right-of-use assets  | 18    | 47,809           | 68,494           |
| Goodwill   | 19    | 39,443           | 39,443           |
| Intangible assets  | 20    | 47,501           | 47,501           |
| Rental and utilities deposits                                    | 24    | 5,816            | 8,326            |
| Financial assets at FVTOCI                                       | 26    | 4,806            | 4,806            |
| Financial assets at fair value through profit or loss ("FVTPL")  | 27    | 4,518            | 4,592            |
| Other assets   |       | 4,819            | 4,940            |
| Deferred tax assets  | 22    | 5,450            | 7,264            |
|  |       | <b>170,983</b>   | 204,138          |
| <b>Current assets</b>  |       |                  |                  |
| Inventories – finished goods held for sale                       |       | 20,583           | 22,830           |
| Accounts receivables   | 23    | 95,381           | 118,179          |
| Prepayments, deposits and other receivables                      | 24    | 150,506          | 155,718          |
| Contract assets  |       | 1,945            | 911              |
| Loans receivables  | 25    | 16,598           | 10,886           |
| Financial assets at FVTPL  | 27    | 22,678           | 41,490           |
| Fixed deposits with original maturity over three months          | 28    | 437              | 423              |
| Pledged bank deposits  | 28    | 30,000           | 32,818           |
| Bank balances – trust and segregated accounts                    | 28    | 372,550          | 308,246          |
| Bank balances (general accounts) and cash                        | 28    | 160,111          | 136,038          |
|  |       | <b>870,789</b>   | 827,539          |
| <b>Current liabilities</b>                                       |       |                  |                  |
| Accounts payable   | 29    | 525,159          | 454,357          |
| Financial liabilities arising from consolidated investment funds | 30    | –                | 1,515            |
| Accrued liabilities and other payables                           | 31    | 72,147           | 78,988           |
| Contract liabilities   | 32    | 56,697           | 51,292           |
| Taxation payable   |       | 5,140            | 6,652            |
| Lease liabilities  | 33    | 34,442           | 45,855           |
| Borrowings   | 34    | 156,495          | 175,127          |
|  |       | <b>850,080</b>   | 813,786          |
| <b>Net current assets</b>  |       | <b>20,709</b>    | 13,753           |
| <b>Total assets less current liabilities</b>                     |       | <b>191,692</b>   | 217,891          |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2025

|  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|-------|------------------|------------------|
| <b>Capital and reserves</b>                  |       |                  |                  |
| Share capital                                | 36    | 16,140           | 16,144           |
| Reserves                                     |       | (1,926)          | 36,892           |
| Equity attributable to owners of the Company |       | 14,214           | 53,036           |
| Non-controlling interests                    | 37    | 34,948           | 43,094           |
| <b>Total equity</b>                          |       | <b>49,162</b>    | 96,130           |
| <b>Non-current liabilities</b>               |       |                  |                  |
| Borrowings                                   | 34    | 82,507           | 84,103           |
| Deferred tax liabilities                     | 22    | 14,630           | 11,111           |
| Lease liabilities                            | 33    | 15,084           | 26,547           |
| Convertible bonds                            | 35    | 30,309           | –                |
|  |       | 142,530          | 121,761          |
|  |       | 191,692          | 217,891          |

The consolidated financial statements on pages 81 to 168 were approved and authorised for issue by the board of directors on 27 March 2026 and are signed on its behalf by:

**KWAN PAK HOO BANKEE**  
DIRECTOR

**CHEUNG TSZ YUI MORTON**  
DIRECTOR

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

|  | Attributable to owners of the Company |               |                     |                 |               |                           |                     |                     |                    | Non-controlling interests |                                     |                      | Total    |                             |
|--|---------------------------------------|---------------|---------------------|-----------------|---------------|---------------------------|---------------------|---------------------|--------------------|---------------------------|-------------------------------------|----------------------|----------|-----------------------------|
|  | Share capital                         | Share premium | Contributed surplus | General reserve | Other reserve | Conversion option reserve | Translation reserve | Revaluation reserve | Accumulated losses | Total                     | Share of net assets of subsidiaries | Share option reserve |          | Share held for share awards |
|  | HKS'000                               | HKS'000       | HKS'000             | HKS'000         | HKS'000       | HKS'000                   | HKS'000             | HKS'000             | HKS'000            | HKS'000                   | HKS'000                             | HKS'000              | HKS'000  | HKS'000                     |
|  |                                       | (Note (a))    | (Notes (b)&(c))     |                 | (Note (d))    |                           |                     |                     |                    |                           | (Note 4e)                           |                      |          |                             |
| At 1 January 2024  | 16,144                                | 4,127         | 88,926              | 1,160           | 92,241        | -                         | 10,451              | 2,551               | (99,635)           | 115,965                   | 53,015                              | -                    | -        | 168,980                     |
| Loss for the year  | -                                     | -             | -                   | -               | -             | -                         | -                   | -                   | (58,266)           | (58,266)                  | (5,516)                             | -                    | -        | (63,782)                    |
| Other comprehensive expense for the year   | -                                     | -             | -                   | -               | -             | -                         | (591)               | (4,072)             | -                  | (4,663)                   | -                                   | -                    | -        | (4,663)                     |
| Total comprehensive expense for the year   | -                                     | -             | -                   | -               | -             | -                         | (591)               | (4,072)             | (58,266)           | (62,929)                  | (5,516)                             | -                    | -        | (68,445)                    |
| Purchase of shares held for share awards scheme of a subsidiary  | -                                     | -             | -                   | -               | -             | -                         | -                   | -                   | -                  | -                         | -                                   | -                    | (4,405)  | (4,405)                     |
| Transferred to accumulated losses  | -                                     | -             | -                   | -               | -             | -                         | -                   | (1,342)             | 1,342              | -                         | -                                   | -                    | -        | -                           |
| At 31 December 2024  | 16,144                                | 4,127         | 88,926              | 1,160           | 92,241        | -                         | 9,860               | (2,863)             | (156,559)          | 53,036                    | 47,499                              | -                    | (4,405)  | 96,130                      |
| Loss for the year  | -                                     | -             | -                   | -               | -             | -                         | -                   | -                   | (52,762)           | (52,762)                  | (18,528)                            | -                    | -        | (71,290)                    |
| Other comprehensive income for the year  | -                                     | -             | -                   | -               | -             | -                         | 2,726               | -                   | -                  | 2,726                     | -                                   | -                    | -        | 2,726                       |
| Total comprehensive income (expense) for the year  | -                                     | -             | -                   | -               | -             | -                         | 2,726               | -                   | (52,762)           | (50,036)                  | (18,528)                            | -                    | -        | (68,564)                    |
| Recognition of equity-settled share-based payments under share award scheme of a subsidiary (note 41)  | -                                     | -             | -                   | -               | -             | -                         | -                   | -                   | -                  | -                         | 2,577                               | -                    | 4,405    | 6,982                       |
| Recognition of equity-settled share-based payments under share option scheme of a subsidiary (note 40) | -                                     | -             | -                   | -               | -             | -                         | -                   | -                   | -                  | -                         | -                                   | 3,400                | -        | 3,400                       |
| Share repurchased and cancelled during the year  | (4)                                   | (10)          | -                   | -               | -             | -                         | -                   | -                   | -                  | (14)                      | -                                   | -                    | -        | (14)                        |
| Issuance of convertible bonds  | -                                     | -             | -                   | -               | -             | 11,228                    | -                   | -                   | -                  | 11,228                    | -                                   | -                    | -        | 11,228                      |
| <b>At 31 December 2025</b>   | <b>16,140</b>                         | <b>4,117</b>  | <b>88,926</b>       | <b>1,160</b>    | <b>92,241</b> | <b>11,228</b>             | <b>12,586</b>       | <b>(2,863)</b>      | <b>(209,321)</b>   | <b>14,214</b>             | <b>31,548</b>                       | <b>3,400</b>         | <b>-</b> | <b>49,162</b>               |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2025

Notes:

- (a) Under the Companies Act 1981 of Bermuda, the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
- (b) Under the Companies Act 1981 of Bermuda, contributed surplus is available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contribution surplus, if:
  - (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
  - (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.
- (c) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1994 and the nominal value of the issued share capital of the Company issued in exchange thereof, and the net amount arising from the reduction of share premium account, capital reduction and the amounts transferred to set-off accumulated losses.
- (d) The other reserve of the Group represents the reserve arising from the distribution of shares of CASH Financial Services Group Limited ("CFSG") in year 2000 and the issue of new shares of CFSG in year 2023 and the effect arising from the change in the Group's ownership interest in existing subsidiaries without losing control.
- (e) Revaluation reserve of the Group represented the adjustment to the fair value of trademark (included in the intangible assets) related to previously held interest in an associate and fair value changes on financial assets at FVTOCI held by the associate were reclassified to accumulated losses upon deemed disposal of the associates and fair value gain/loss on financial assets at FVTOCI during the year.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

|  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|-------|------------------|------------------|
| <b>Operating activities</b>  |       |                  |                  |
| Loss before taxation   |       | <b>(67,653)</b>  | (65,596)         |
| Adjustments for:   |       |                  |                  |
| Depreciation of property and equipment                                       | 17    | <b>8,100</b>     | 10,703           |
| Depreciation of right-of-use assets  | 18    | <b>75,526</b>    | 88,818           |
| Write-down of inventories  | 14    | <b>441</b>       | 1,977            |
| Finance costs  | 9     | <b>17,424</b>    | 21,260           |
| Interest income  | 7     | <b>(1,927)</b>   | (2,499)          |
| Dividend income  | 7     | <b>(647)</b>     | (811)            |
| Net gain on financial liabilities arising from consolidated investment funds | 7     | <b>(2,362)</b>   | (33)             |
| Net gain on fair value changes of financial assets at FVTPL                  | 7     | <b>(12,433)</b>  | (23,058)         |
| Impairment losses under expected credit loss model, net of reversal          | 10    | <b>284</b>       | 381              |
| Equity-settled share-based expenses  | 8     | <b>10,382</b>    | –                |
| Loss on disposal of property and equipment                                   | 7     | <b>988</b>       | 2,467            |
| Loss on early termination of a lease   |       | <b>–</b>         | 855              |
| Operating cash flow before movements in working capital                      |       | <b>28,123</b>    | 34,464           |
| Decrease in other assets   |       | <b>121</b>       | 512              |
| Decrease in inventories  |       | <b>1,806</b>     | 5,402            |
| Decrease in accounts and other receivables                                   |       | <b>26,705</b>    | 43,312           |
| (Increase) decrease in contract assets                                       |       | <b>(1,034)</b>   | 1,927            |
| Decrease in financial assets at FVTPL  |       | <b>7,542</b>     | 19,016           |
| (Increase) decrease in bank balances – trust and segregated accounts         |       | <b>(64,304)</b>  | 37,969           |
| Increase (decrease) in accounts payable                                      |       | <b>70,802</b>    | (45,080)         |
| Decrease in accrued liabilities and other payables                           |       | <b>(4,988)</b>   | (24,732)         |
| Increase (decrease) in contract liabilities                                  |       | <b>5,405</b>     | (11,212)         |
| Net cash generated from operations   |       | <b>70,178</b>    | 61,578           |
| Income taxes refund  |       | <b>–</b>         | 3,541            |
| Net cash from operating activities   |       | <b>70,178</b>    | 65,119           |

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2025

|  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|-------|------------------|------------------|
| <b>Investing activities</b>  |       |                  |                  |
| Interest received  |       | 1,927            | 2,499            |
| Dividend received  |       | 647              | 811              |
| Increase in fixed deposits with original maturity over three months      |       | (14)             | (423)            |
| Withdrawal of pledged bank deposits                                      |       | 2,818            | 21,243           |
| Advance of loans receivable  |       | (5,953)          | (5,575)          |
| Purchase of property and equipment                                       |       | (1,534)          | (2,859)          |
| Refund of rental deposits  |       | –                | 5,149            |
| Proceeds from disposal of financial assets at FVTOCI                     |       | –                | 16,943           |
| Proceeds from disposal of property and equipment                         | 7     | 477              | –                |
| Redemption of consolidated investments funds                             |       | 3,234            | –                |
| Net cash from investing activities                                       |       | 1,602            | 37,788           |
| <b>Financing activities</b>  |       |                  |                  |
| Drawdown of borrowings   |       | 400,275          | 483,514          |
| Repayment of borrowings  |       | (420,503)        | (563,896)        |
| Repayment of lease liabilities   |       | (74,470)         | (94,885)         |
| Interest paid on lease liabilities                                       |       | (2,896)          | (4,347)          |
| Interest paid on borrowings  |       | (12,241)         | (16,913)         |
| Interest paid on convertible bond  |       | (750)            | –                |
| Contribution from third party investors to consolidated investment funds |       | 23,697           | 2,988            |
| Redemption to third party investors of consolidated investment funds     |       | (3,710)          | (1,562)          |
| Proceeds from issuance of convertible bonds                              |       | 40,000           | –                |
| Repurchases of shares  |       | (14)             | –                |
| Purchase of shares for share award scheme                                |       | –                | (4,405)          |
| Net cash used in financing activities                                    |       | (50,612)         | (199,506)        |
| Net increase (decrease) in cash and cash equivalents                     |       | 21,168           | (96,599)         |
| Cash and cash equivalents at beginning of year                           |       | 136,038          | 233,362          |
| Effect of foreign exchange rate changes                                  |       | 2,905            | (725)            |
| Total cash and cash equivalents at end of year                           |       | 160,111          | 136,038          |
| Being:   |       |                  |                  |
| Bank balances (general accounts) and cash                                |       | 160,111          | 136,038          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

Celestial Asia Securities Holdings Limited (the “Company”) is a public limited company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). As at 31 December 2025, Mr Kwan Pak Hoo Bankee held 49.79% of ordinary share capital of the Company and he is the ultimate controlling shareholder. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information of this annual report.

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

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 46.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to an HKFRS Accounting Standard that is mandatorily effective for the current year

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

|                       |                         |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

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

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

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

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

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

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have material impact on the financial position and performance of the Group and the disclosure in the consolidated financial statements in the future.

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

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

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

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

### **Going concern**

In preparing the consolidated financial statements, the directors of the Company (the "Directors") have given careful consideration to the future liquidity, the financial position, and the available resources of financing of the Group in assessing the Group's ability to continue as a going concern. As set out in the section of liquidity risk in note 39(b), the Group has issued convertible bonds to support the operation and improve the liquidity of the retailing business of the Group during the year ended 31 December 2025. However, the Group incurred a net loss of approximately HK\$71 million during the year ended 31 December 2025. In view of the above circumstances, the following plans and measures have been taken by the Directors to mitigate the liquidity risk of the Group and to improve the financial position of the Group:

- (1) the Group continued to implement strategic initiatives to strengthen operational resilience including targeted promotions, enhanced inventory and logistics optimization, improved sourcing capabilities and optimized cost structure and store network of its retail operation; and
- (2) the Group has maintained strong relationships with its banks, who are expected to continue providing loan facilities to the Group. After the reporting period, management of the Group has proactively met with the banks to present the Group's latest business plan and financial position. Following the meeting, the banks reaffirmed their continued support for the Group's operation. The management therefore anticipates there will be ongoing support from its banks to sustain the Group's operations.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from the date of approval of the consolidated financial statements.

The Directors, at the time of approving these consolidated financial statements, are of the opinion that the liquidity needs of the Group will be managed and the financial position of the Group will be improved following the execution the above mentioned plans and measures, and have a reasonable expectation that the Group has sufficient working capital, including the expectation of continuous roll-over of the existing trust receipts loans and revolving loans which are due within one year, presently available banking facilities and internal financial resources, to finance the Group's operations and to meet the Group's financial obligations as and when fall due within twelve months from the date of approval of these consolidated financial statements so that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

### **Material accounting policy information**

#### **Basis of consolidation**

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

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### ***Basis of consolidation (continued)***

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

When the Group is exposed, or has rights, to variable returns of an investee, in which the Group also acts as a general partner, or the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### ***Basis of consolidation (continued)***

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

#### *Changes in the Group's interests in existing subsidiaries*

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

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

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets and liabilities of the subsidiary attributable to owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

#### **Goodwill**

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

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

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

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

The Group's policy for goodwill arising on the acquisition of an associate is described below.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Leases

##### *Definition of a lease*

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

For contracts entered into or modified on or after the date of initial application of Hong Kong Financial Reporting Standard 16 "Lease" or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

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

##### Allocation of consideration to components to a lease

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

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

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

##### Right-of-use assets

The cost of right-of-use asset includes:

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

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

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Leases (continued)

*The Group as a lessee (continued)*

Right-of-use assets (continued)

When the Group obtains ownership of the underlying leased assets at the end of the lease term, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

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

Refundable rental deposits

Refundable rental deposits paid are accounted under Hong Kong Financial Reporting Standard 9 "Financial Instruments" ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

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

The lease payments include fixed payments that (including in-substance fixed payments) less any lease incentives receivable.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

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

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

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### **Leases (continued)**

*The Group as a lessee (continued)*

Lease modifications (continued)

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

#### **Foreign currencies**

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rates of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

#### **Borrowing costs**

All borrowing costs, that are not directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss in the period in which they are incurred.

#### **Employee benefits**

*Retirement benefit costs*

Payments to defined contribution plans including state-managed benefit scheme and the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

*Termination benefits*

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### **Employee benefits (continued)**

##### *Short-term employee benefits*

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

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

#### **Taxation**

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### ***Taxation (continued)***

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

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

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

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### ***Property and equipment***

Property and equipment held for use in supply of goods or services, or for administrative purpose are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

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

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

#### ***Intangible assets***

##### *Intangible assets acquired in a business combination*

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

Subsequent to initial recognition, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### ***Impairment losses on property and equipment, right-of-use assets and intangible assets other than goodwill***

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### **Cash and cash equivalents**

Bank balances (general accounts) and cash presented on the consolidated statement of financial position include:

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

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances (general accounts) and cash as defined above. Bank balances held under trust and segregated accounts are excluded from the Group's cash and cash equivalents and the relevant cash flow are presented under operating activities.

#### **Inventories**

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

#### **Provisions**

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

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

#### *Restoration provisions*

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivable arising from contracts with customers which are initially measured in accordance with Hong Kong Financial Reporting Standard 15 "Revenue from Contracts with Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Financial instruments (continued)

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

#### Financial assets

Classification and subsequent measurement of financial assets

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

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### (i) Amortised cost and interest income

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investments revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses. Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

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

#### Impairment of financial assets

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

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

The Group always recognises lifetime ECL for accounts receivable arising from retailing business, contract assets and commission receivable from brokerage of general and life insurance, mutual funds and MPF products. The ECL on these assets are assessed based on the Group's historical default rates or default rates by reference to the probability of default, loss given default over the expected life and is adjusted for forward-looking estimates and are assessed individually for each debtor.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets (continued)

##### (i) Significant increase in credit risk

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

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

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

##### (ii) Definition of default

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

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

##### (iii) Credit-impaired financial assets

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Impairment of financial assets (continued)

##### (iv) Write-off policy

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

##### (v) Measurement and recognition of ECL

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

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

Lifetime ECL for contract assets and accounts receivable except for those from margin clients are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

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

- Nature of financial instruments;
- Loan to collateral value ratio;
- Past-due status; and
- External credit ratings where available.

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

##### Foreign exchange gains and losses

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

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains/losses' line item (note 7) as part of the net foreign exchange gain (loss);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains/losses' line item as part of the net gains/losses on financial assets at FVTPL (note 7);
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

##### Financial liabilities and equity

##### Classification as debt or equity

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

##### Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Material accounting policy information (continued)

#### Financial instruments (continued)

##### *Financial liabilities and equity (continued)*

##### Financial liabilities

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

- (i) Financial liabilities at FVTPL arising from consolidated investment funds

A financial instrument that gives the holder the right to put it back to the Group for cash or another financial asset (a "puttable instrument") is a financial liability. The financial instrument is a financial liability even when the amount of cash or other financial assets is determined on the basis that has the potential to increase or decrease.

Net assets attributable to holders of consolidated investment funds are determined based on the attributable shares or units of the residual assets of the consolidated investment fund after deducting the consolidated investment fund's other liabilities. The holders have the right to put their attributable shares to the fund for cash with no cause.

Financial liabilities at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "other gains and losses" line item.

As at the end of the reporting period, such financial liability of net assets attributable to holders of non-controlling interests in consolidated investment funds is presented as "financial liabilities arising from consolidated investment funds" in the consolidated statement of financial position.

- (ii) Financial liabilities at amortised cost

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

##### *Derecognition of financial liabilities*

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

##### *Offsetting a financial asset and a financial liability*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### **Material accounting policy information (continued)**

#### ***Equity-settled share-based payment transactions***

##### *Share options granted to employees of the Group for their services to the Group*

The fair value of services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of share options granted at the grant date without taking into account any service and non-market performance vesting conditions. Services and non-market performance vesting conditions are included in assumptions about the number of share options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of share options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share option reserve.

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

##### *Share options granted to non-employees*

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

In case of share options granted by a subsidiary, the share options reserve of the subsidiary is classified as and grouped under non-controlling interests by the Group on consolidation. At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium of that subsidiary. The Group will account for the dilution as an equity transaction if the exercise of share options does not constitute a loss of the Group's control over that subsidiary. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits of the Group and non-controlling interests' share of net assets of that subsidiary according to the proportion of interests held by the Group and non-controlling shareholders on consolidation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical judgments in applying accounting policies**

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

#### ***Determination on lease term of contracts with renewal options***

The Group applies judgment to determine the lease term for lease contracts in which it is a lease that include renewal option, specifically, the leases relating to certain retail stores. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

When assessing reasonable certainty, the Group considers all relevant facts and circumstances including economic incentives/penalties for exercising or not exercising the options. Factors considered include:

- contractual terms and conditions for the optional periods compared with market rates;
- the extent of leasehold improvements undertaken by Group; and
- costs relating to termination of the lease (e.g. relocation costs and costs of identifying another underlying asset suitable for the Group's needs).

### **Key sources of estimation uncertainty**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

### **Key sources of estimation uncertainty (continued)**

#### ***Impairment assessment under ECL model for accounts receivable arising from margin financing***

The impairment assessment under ECL model for accounts receivable arising from margin financing is an area that requires the use of models and management assumptions about future economic conditions and the credit risk of the margin clients.

In applying the accounting requirements for measuring ECL, the management applies significant judgements, estimation and assumptions to determine criteria for significant increase in credit risk, select appropriate models and assumptions for the measurement of ECL and consider the forward-looking scenarios.

#### *Inputs, assumptions and estimation techniques*

ECL of accounts receivable arising from margin financing is measured by the Group on either a 12-month or lifetime basis depending on whether they are in Stage 1, 2 (credit risk has increased significantly since initial recognition) or 3 (credit-impaired). In assessing whether the credit risk of a financial asset has significantly increased, the Group considered the historical trend in Loan-to-Value ratio as well as qualitatively, if applicable, and quantitatively reasonable and supportable forward-looking information available without undue cost or effort. ECL is the discounted product of expected future cash flows by using the Probability of Default, Loss Given Default and Exposure at Default, of which Probability of Default and Loss Given Default are based on significant management judgement and estimation. For non-credit-impaired accounts receivable arising from margin financing, the management performed collective assessment and ECL are estimated on a portfolio basis based on the Group's historical default and loss data and adjusted for forward-looking factors that are available without undue cost or effort. For credit-impaired receivable arising from margin financing, the management performed individual assessment for each client by considering various factors, including the realisable value of securities or collaterals held by the Group.

#### *Forward-looking information*

The calculation of ECL considers forward-looking information through the use of gross domestic product and unemployment rate and management judgement to reflect the qualitative factors and through the use of multiple probability weighted scenarios of the market performance.

Details of the impairment assessment of accounts receivable arising from margin financing are disclosed in note 39.

#### ***Estimated impairment of property and equipment, right-of-use assets***

Property and equipment, right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, the higher of the net present value of future cash flows which are estimated based upon the continued use of the asset in the case of value in use or fair value less cost of disposal; and (3) the appropriate key inputs to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate in determining fair value less cost of disposal as disclosed in note 21. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the inputs and estimates could materially affect the relevant fair value of the various CGUs.

In view of impairment indicators, the Group performed impairment assessment of the carrying amount for property and equipment and right-of-use assets of HK\$58,630,000 (2024: HK\$87,266,000). No impairment losses have been recognised during the years ended 31 December 2024 and 2025. Details of the impairment assessment of property and equipment and right-of-use assets are disclosed in note 21.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

### Key sources of estimation uncertainty (continued)

#### *Estimated impairment of goodwill and intangible assets with indefinite life*

Determining whether goodwill and intangible assets with indefinite life are impaired requires an estimation of recoverable amounts of relevant intangible assets and the respective group of CGUs in which the goodwill and intangible assets with indefinite life have been allocated, which is the higher of value in use and fair value less costs of disposal. The management of the Group estimates the value in use using the present value of the future cash flows expected to arise from the group of CGUs based on the cash flows from operations, taking into account revenue growth rates, gross margin and long term growth rate used in the cash flow projections and a suitable discount rate by reference to comparable companies. The discount rate reflects current market assessments of time value of money and the risks specific to the asset or the group of CGUs for which the future cash flow estimates have not been adjusted. Where the actual future cash flows are less than expected or there is a downward revision of future estimated cash flows due to unfavourable changes in facts and circumstances, a material impairment loss may arise.

Furthermore, the revenue growth rate and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on how the market volatility may progress and evolve. Details of the recoverable amount calculation of the group of CGUs are disclosed in note 21.

## 5. REVENUE

### (i) Disaggregation of revenue from contracts with customers

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| <b>Types of goods or service</b>  |                  |                  |
| Sales of furniture and household goods                                    | 607,637          | 726,159          |
| Sales of electrical appliances  | 47,151           | 61,191           |
| Sales of tailor-made furniture  | 44,008           | 43,672           |
| Revenue from retailing segment  | 698,796          | 831,022          |
| Investment management services  | 20,187           | 6,926            |
| Broking services, wealth management services, handling and other services | 36,017           | 22,898           |
| Interest income arising from financial assets at amortised cost           | 12,443           | 22,811           |
|   | <b>767,443</b>   | 883,657          |
| <b>Timing of revenue recognition</b>                                      |                  |                  |
| A point in time   | 703,248          | 833,059          |
| Over time   | 64,195           | 50,598           |
|   | <b>767,443</b>   | 883,657          |
| <b>Geographical market</b>  |                  |                  |
| Hong Kong   | 748,643          | 878,623          |
| The People's Republic of China (the "PRC")                                | 18,800           | 5,034            |
|   | <b>767,443</b>   | 883,657          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 5. REVENUE (continued)

### (ii) Performance obligations for contracts with customers and revenue recognition policies

#### **Revenue from contracts with customers**

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

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

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

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

#### **Broking services**

The Group provides broking services to customers on securities, futures and options trading. Commission income from broking services is determined at a certain percentage of the transaction value of the trades executed and is recognised as income on the date the trades are executed (i.e. at a point in time). Normal settlement terms are one or two days after trade date, unless specifically agreed with counterparties.

#### **Wealth management services**

##### *Insurance and fund products placement services*

The Group provides placement services for general and life insurances, mutual funds and Mandatory Provident Fund products to customers. Revenue is recognised at a point in time when the placement is successfully completed. Revenue is measured at the amount of considerations to which the Groups expects to be entitled.

##### *Advisory services*

The Group provides wealth management related advisory services to customers such as referrals of wealth management clients to third parties for referral commission. The advisory fees are recognised at a point in time, such as abovementioned wealth management clients successfully subscribe wealth management products through abovementioned third parties. Payments are received in accordance to the completion of relevant advisory activities. The period from satisfaction of the performance obligation to receipt of consideration is usually within one year or less.

##### *Consultancy services*

The Group provides consultancy regarding the immigration information services to customers. Consultancy services to customer are recognised over time as the customer simultaneously receives and consumes the benefit provided by the Group. Consultancy fee is normally due monthly.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 5. REVENUE (continued)

### (ii) Performance obligations for contracts with customers and revenue recognition policies (continued)

#### **Handling and other services**

The Group provides services in securities, futures and options trading and customer's account handling. Handling and other services fee income are recognised at a point in time when the transactions are executed and services are completed.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

#### **Sales of furniture and household goods and electronic appliances**

The Group makes sales transactions of furniture and household goods and electronic appliances with customers both through its own retail stores directly and through internet sales.

For sales of furniture, household goods and electronic appliances to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchased and took the goods at the retail stores directly or being when the goods have been transported to the customers' specific location (delivery). Transportation and other related activities that occur before customers obtain control of the related products are considered as fulfilment activities. Payment of the transaction price is due immediately at the point the customer purchases the goods in the retail stores, except for corporate customers that the Group allows an average credit period of 30 days for their accounts receivable. The transaction price received by the Group for goods that require delivery is recognised as a contract liability until the goods have been delivered to the customer.

For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been transported to the customer's specific location. Transportation and other related activities that incurred before customers obtain control of the related products are considered as fulfilment activities. When the customer initially purchases the goods online, the transaction price is due immediately and amount received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

#### **Sales of tailor-made furniture**

The Group makes sales transactions of tailor-made furniture through its own retail stores.

Revenue are recognised over time as the Group 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. Revenue is recognised for these tailor-made orders based on the stage of completion of the contract using input method.

The Group requires customers to provide full amount of upfront payments. When the Group receives the advance payments in the retail stores, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

#### **Customer loyalty programme**

The Group operates a customer loyalty programme for sales through the Group's retail stores and internet sales where retail customer award points for purchases made which entitle them to redeem award points as sales discounts in the future. The transaction price is allocated to the product and the award points on a relative stand-alone selling price basis. The customer loyalty award points expire every year and customers can redeem the award points any time before the specified expiration date. Revenue from the award points is recognised when the award points are redeemed or expired. Contract liabilities are recognised until the award points are redeemed or expired. The sales discounts is recognised and net to the revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 5. REVENUE (continued)

### (ii) Performance obligations for contracts with customers and revenue recognition policies (continued)

#### ***Investment management services***

Investment management services to customers are recognised over time as the Group provides investment management services and the customers simultaneously receives and consumes the benefit provided by the Group. The investment management income is charged at a fixed percentage per month of the net asset value of the managed accounts under management of the Group. The Group estimates the amount of consideration to which it will be entitled using the most likely amount.

The Group is also entitled to a performance fee when there is a positive performance for the relevant performance period and it is recognised at the end of the relevant performance period. The performance fee is recognised at a point in time when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Management fees are normally due and recognised on a monthly basis while performance fees are normally due at the end of the relevant performance period.

#### *Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation*

Input method – tailor-made furniture

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

#### *Variable consideration*

For contracts that contain variable consideration, such as performance fee from investment management services, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

#### *Contracts with multiple performance obligations (including allocation of transaction price)*

For contracts that contain more than one performance obligations (sales of goods and award credits for customers under the Group's customer loyalty scheme), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 5. REVENUE (continued)

### (ii) Performance obligations for contracts with customers and revenue recognition policies (continued)

#### *Investment management services (continued)*

*Contracts with multiple performance obligations (including allocation of transaction price) (continued)*

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

#### *Principal versus agent consideration (agent)*

The Group is considered as an agent for its contracts with customers related to the revenue from the broking services, wealth management services, investment management services and handling and other services as the Group does not obtain the control over the services before they are passed on to customers. This determination takes into account indicators such as the Group is not primarily responsible for fulfilling the promise made and not being exposed to inventory risk.

### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

As at 31 December 2025 and 2024, contracts with customers with unsatisfied performance obligations, including customer loyalty award points, have original expected durations of one year or less. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts or customer loyalty programmes are not disclosed.

## 6. SEGMENT INFORMATION

### Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered or services provided.

Specifically, the Group's operating and reportable segments are as follows:

|                          |   |
|--------------------------|---|
| Retailing                | Sales of furniture and household goods and electrical appliances                          |
| Investment Management    | Provision of investment management services to the fund investors                         |
| Other Financial Services | Provision of broking and wealth management services under the business operations of CFSG |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 6. SEGMENT INFORMATION (continued)

### Segment revenue and results

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

#### For the year ended 31 December 2025

|                           | Retailing<br>HK\$'000 | Investment<br>management<br>HK\$'000 | Other<br>financial<br>services<br>HK\$'000 | Consolidated<br>HK\$'000 |
|---------------------------|-----------------------|--------------------------------------|--|--------------------------|
| Revenue                   | 698,796               | 20,187                               | 48,460                                     | 767,443                  |
| Segment (loss) profit     | (10,219)              | 3,369                                | (37,163)                                   | (44,013)                 |
| Unallocated other income  |                       |                                      |  | 2,552                    |
| Corporate expenses        |                       |                                      |  | (20,167)                 |
| Unallocated finance costs |                       |                                      |  | (6,025)                  |
| Loss before taxation      |                       |                                      |  | (67,653)                 |

#### For the year ended 31 December 2024

|                           | Retailing<br>HK\$'000 | Investment<br>management<br>HK\$'000 | Other<br>financial<br>services<br>HK\$'000 | Consolidated<br>HK\$'000 |
|---------------------------|-----------------------|--------------------------------------|--|--------------------------|
| Revenue                   | 831,022               | 6,926                                | 45,709                                     | 883,657                  |
| Segment (loss) profit     | (10,200)              | 10,366                               | (37,049)                                   | (36,883)                 |
| Unallocated other income  |                       |                                      |  | 258                      |
| Corporate expenses        |                       |                                      |  | (24,215)                 |
| Unallocated finance costs |                       |                                      |  | (4,756)                  |
| Loss before taxation      |                       |                                      |  | (65,596)                 |

All the segment revenue is derived from external customers.

Segment result represents the profit earned/loss incurred by each segment without allocation of certain other income, certain other gains and losses, corporate expenses, share of loss of associates and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 6. SEGMENT INFORMATION (continued)

### Segment assets and liabilities

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

**As at 31 December 2025**

|  | Retailing<br>HK\$'000 | Investment<br>management<br>HK\$'000 | Other<br>financial<br>services<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--|-----------------------|--------------------------------------|--|--------------------------|
| ASSETS   |                       |                                      |  |                          |
| Segment assets   | <b>281,881</b>        | <b>125,366</b>                       | <b>596,551</b>                             | <b>1,003,798</b>         |
| Unallocated right-of-use assets                            |                       |                                      |  | 7,979                    |
| Loans receivables  |                       |                                      |  | 4,300                    |
| Unallocated financial assets at FVTPL                      |                       |                                      |  | 1,008                    |
| Unallocated prepayments, deposits and<br>other receivables |                       |                                      |  | 5,037                    |
| Unallocated bank balances and cash                         |                       |                                      |  | 19,650                   |
| Total assets   |                       |                                      |  | <b>1,041,772</b>         |
| LIABILITIES  |                       |                                      |  |                          |
| Segment liabilities  | <b>367,440</b>        | <b>25,866</b>                        | <b>463,409</b>                             | <b>856,715</b>           |
| Unallocated accrued liabilities and<br>other payables      |                       |                                      |  | 10,338                   |
| Taxation payable   |                       |                                      |  | 4,627                    |
| Unallocated lease liabilities                              |                       |                                      |  | 8,114                    |
| Unallocated borrowings                                     |                       |                                      |  | 82,507                   |
| Convertible bonds  |                       |                                      |  | 30,309                   |
| Total liabilities  |                       |                                      |  | <b>992,610</b>           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 6. SEGMENT INFORMATION (continued)

### Segment assets and liabilities (continued)

As at 31 December 2024

|   | Retailing<br>HK\$'000 | Investment<br>management<br>HK\$'000 | Other<br>financial<br>services<br>HK\$'000 | Consolidated<br>HK\$'000 |
|---|-----------------------|--------------------------------------|--|--------------------------|
| <b>ASSETS</b>   |                       |                                      |  |                          |
| Segment assets  | 291,665               | 130,595                              | 586,945                                    | 1,009,205                |
| Unallocated right-of-use assets                         |                       |                                      |  | 4,373                    |
| Loans receivables                                       |                       |                                      |  | 3,200                    |
| Unallocated financial assets at FVTPL                   |                       |                                      |  | 966                      |
| Unallocated prepayments, deposits and other receivables |                       |                                      |  | 3,603                    |
| Unallocated bank balances and cash                      |                       |                                      |  | 10,330                   |
| Total assets  |                       |                                      |  | 1,031,677                |
| <b>LIABILITIES</b>                                      |                       |                                      |  |                          |
| Segment liabilities                                     | 384,474               | 30,873                               | 415,494                                    | 830,841                  |
| Unallocated accrued liabilities and other payables      |                       |                                      |  | 10,099                   |
| Taxation payable  |                       |                                      |  | 4,629                    |
| Unallocated lease liabilities                           |                       |                                      |  | 5,875                    |
| Unallocated borrowings                                  |                       |                                      |  | 84,103                   |
| Total liabilities                                       |                       |                                      |  | 935,547                  |

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

- all assets are allocated to the reportable and operating segment other than certain property and equipment, certain right-of-use assets, tax recoverable, deferred tax assets, loans receivables, certain financial assets at FVTPL, certain prepayments, deposits and other receivables and certain bank balances and cash; and
- all liabilities are allocated to reportable and operating segment other than certain accrued liabilities and other payables, taxation payable, certain deferred tax liabilities, certain lease liabilities and certain borrowings.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 6. SEGMENT INFORMATION (continued)

### Other segment information

For the year ended 31 December 2025

|  | Retailing<br>HK\$'000 | Investment<br>management<br>HK\$'000 | Other<br>financial<br>services<br>HK\$'000 | Unallocated<br>HK\$'000 | Total<br>HK\$'000 |
|--|-----------------------|--------------------------------------|--|-------------------------|-------------------|
| Amounts included in the measure of segment profit or loss or segment assets: |                       |                                      |  |                         |                   |
| Additions of property and equipment  | 1,428                 | –                                    | 106  | –                       | 1,534             |
| Additions of right-of-use assets   | 53,259                | –                                    | 1,582                                      | –                       | 54,841            |
| Interest income  | 1,785                 | 142                                  | –  | –                       | 1,927             |
| Depreciation of property and equipment                                       | 7,464                 | 3                                    | 217  | 416                     | 8,100             |
| Depreciation of right-of-use assets  | 63,457                | 1,266                                | 4,526                                      | 6,277                   | 75,526            |
| Finance costs  | 9,295                 | 170                                  | 1,934                                      | 6,025                   | 17,424            |
| Net loss (gain) on financial assets at FVTPL                                 | –                     | 1,650                                | (14,730)                                   | –                       | (13,080)          |
| Write-down of inventories  | 441                   | –                                    | –  | –                       | 441               |
| Loss on disposal of property and equipment                                   | 7                     | –                                    | 1,458                                      | –                       | 1,465             |

For the year ended 31 December 2024

|  | Retailing<br>HK\$'000 | Investment<br>management<br>HK\$'000 | Other<br>financial<br>services<br>HK\$'000 | Unallocated<br>HK\$'000 | Total<br>HK\$'000 |
|--|-----------------------|--------------------------------------|--|-------------------------|-------------------|
| Amounts included in the measure of segment profit or loss or segment assets: |                       |                                      |  |                         |                   |
| Additions of property and equipment  | 2,835                 | –                                    | 24   | –                       | 2,859             |
| Additions of right-of-use assets   | 43,633                | –                                    | 1,150                                      | –                       | 44,783            |
| Interest income  | 2,417                 | –                                    | –  | 82                      | 2,499             |
| Depreciation of property and equipment                                       | 8,835                 | 10                                   | 1,858                                      | –                       | 10,703            |
| Depreciation of right-of-use assets  | 74,753                | 1,604                                | 7,099                                      | 5,362                   | 88,818            |
| Finance costs  | 12,349                | 123                                  | 4,032                                      | 4,756                   | 21,260            |
| Net gain on financial assets at FVTPL  | –                     | (21,335)                             | (1,723)                                    | –                       | (23,058)          |
| Write-down of inventories  | 1,977                 | –                                    | –  | –                       | 1,977             |
| Loss on disposal of property and equipment                                   | 1,739                 | –                                    | 728  | –                       | 2,467             |
| Loss on early termination of a lease   | –                     | –                                    | 855  | –                       | 855               |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 6. SEGMENT INFORMATION (continued)

### Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Sales of furniture and household goods             | 651,645          | 769,831          |
| Sales of electrical appliances                     | 47,151           | 61,191           |
| Broking and wealth management services             | 48,460           | 45,709           |
| Management fee from investment management services |                  |                  |
| – Fixed  | 15,865           | 1,851            |
| – Variable   | 4,322            | 5,075            |
|  | <b>767,443</b>   | 883,657          |

### Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's segment revenue from external customers determined based on location of the group entities' operations and information about its non-current assets (excluding deposits, financial instruments and deferred tax assets) by geographical location of the assets are detailed below:

|           | Revenue          |                  | Non-current assets |                  |
|-----------|------------------|------------------|--------------------|------------------|
|           | 2025<br>HK\$'000 | 2024<br>HK\$'000 | 2025<br>HK\$'000   | 2024<br>HK\$'000 |
| Hong Kong | 748,643          | 878,623          | 147,189            | 179,137          |
| PRC       | 18,800           | 5,034            | 3,204              | 13               |
|           | <b>767,443</b>   | 883,657          | <b>150,393</b>     | 179,150          |

No customers individually contributed over 10% of the Group's revenue during both years.

## 7. OTHER INCOME, OTHER GAINS AND LOSSES, NET

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| <b>Other income</b>                             |                  |                  |
| Interest income from banks and loans receivable | 1,031            | 1,403            |
| Interest income from rental deposits            | 896              | 1,096            |
| Sundry income                                   | 8,912            | 5,274            |
|   | <b>10,839</b>    | 7,773            |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 7. OTHER INCOME, OTHER GAINS AND LOSSES, NET (continued)

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| <b>Other gains and losses, net</b>   |                  |                  |
| Net gain on financial assets at FVTPL (Note)                                 | <b>13,080</b>    | 23,058           |
| Net gain on financial liabilities arising from consolidated investment funds | <b>2,362</b>     | 33               |
| Loss on disposal of property and equipment                                   | <b>(988)</b>     | (2,467)          |
| Loss on early termination of a lease   | –                | (855)            |
| Net foreign exchange gain (loss)   | <b>309</b>       | (370)            |
|  | <b>14,763</b>    | 19,399           |

Note: The amount includes dividend income of HK\$647,000 (2024: HK\$811,000) from financial assets at FVTPL.

## 8. SALARIES, ALLOWANCES AND RELATED BENEFITS

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Salaries, allowances and related benefits represent the amounts paid and payable to the directors of the Company and employees comprises of: |                  |                  |
| Salaries and allowances  | <b>124,890</b>   | 157,548          |
| Sales commission   | <b>14,371</b>    | 17,141           |
| Contributions to retirement benefits schemes   | <b>4,449</b>     | 4,547            |
| Equity-settled share-based expenses  | <b>10,382</b>    | –                |
|  | <b>154,092</b>   | 179,236          |

## 9. FINANCE COSTS

|                               | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------|------------------|------------------|
| Interest on:                  |                  |                  |
| – bank borrowings             | <b>7,039</b>     | 9,117            |
| – lease liabilities           | <b>2,896</b>     | 4,347            |
| – loan from a related company | <b>5,202</b>     | 7,796            |
| – convertible bonds           | <b>2,287</b>     | –                |
|                               | <b>17,424</b>    | 21,260           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 10. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

|   | <b>2025</b>     | 2024     |
|---|-----------------|----------|
|   | <b>HK\$'000</b> | HK\$'000 |
| Net impairment losses recognised (reversal) on: |                 |          |
| Accounts receivable                             | <b>43</b>       | 504      |
| Loan receivable                                 | <b>241</b>      | (123)    |
|   | <b>284</b>      | 381      |

Details of impairment assessment for the years ended 31 December 2025 and 2024 are set out in note 39.

## 11. OTHER OPERATING, ADMINISTRATIVE AND SELLING EXPENSES

|  | <b>2025</b>     | 2024     |
|--|-----------------|----------|
|  | <b>HK\$'000</b> | HK\$'000 |
| Auditor's remuneration                               | <b>4,415</b>    | 5,047    |
| Handling expenses for securities dealing             | <b>2,632</b>    | 1,666    |
| Advertising and promotion expenses                   | <b>13,292</b>   | 12,446   |
| Utilities expenses                                   | <b>14,056</b>   | 14,783   |
| Telecommunication expenses                           | <b>12,055</b>   | 13,927   |
| Repair and maintenance expenses                      | <b>3,673</b>    | 4,471    |
| Printing and stationery expenses                     | <b>2,065</b>    | 2,276    |
| Licence and registration fee                         | <b>8,399</b>    | 9,130    |
| Legal and professional fees                          | <b>11,802</b>   | 12,612   |
| Travelling and entertainment expenses                | <b>7,266</b>    | 6,761    |
| Other selling and distribution expenses              | <b>55,102</b>   | 59,408   |
| Expenses relating to short-term and low-value leases | <b>397</b>      | 543      |
| Variable lease payments                              | <b>3,534</b>    | 5,905    |
| Rates and building management fee                    | <b>29,430</b>   | 33,066   |
| Insurance  | <b>3,505</b>    | 4,551    |
| Others   | <b>22,824</b>   | 21,311   |
|  | <b>194,447</b>  | 207,903  |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION (continued)

### Directors' and chief executive's remuneration (continued)

The performance related bonuses (if any) of executive directors are based on the review and recommendation from the remuneration committee of the Company with reference to the performance in discharging their duties and responsibilities within the Group, the Group's performance and prevailing market situation.

### Employees' remuneration

The five highest paid employees of the Group during the year included two directors (2024: three directors), details of whose remuneration are set out in the disclosures above. Details of the remuneration for the year of the remaining three (2024: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| Salaries and allowances                     | 2,412            | 1,344            |
| Performance related bonus (Note)            | 4,857            | 1,776            |
| Contributions to retirement benefits scheme | 54               | 36               |
|   | <b>7,323</b>     | 3,156            |

Note: The performance related bonus are based on the performance of individuals and market trends.

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

|                                | Number of employees |      |
|--------------------------------|---------------------|------|
|                                | 2025                | 2024 |
| HK\$1,000,001 to HK\$1,500,000 | –                   | 1    |
| HK\$1,500,001 to HK\$2,000,000 | –                   | 1    |
| HK\$2,000,001 to HK\$2,500,000 | 2                   | –    |
| HK\$2,500,001 to HK\$3,500,000 | 1                   | –    |

## 13. INCOME TAX (EXPENSE) CREDIT

|                               | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------|------------------|------------------|
| Current tax:                  |                  |                  |
| – Hong Kong Profits Tax       | –                | –                |
| – PRC Enterprise Income Tax   | (1,304)          | –                |
| Overprovisions in prior years | 3,000            | –                |
|                               | <b>1,696</b>     | –                |
| Deferred tax (Note 22)        | (5,333)          | 1,814            |
|                               | <b>(3,637)</b>   | 1,814            |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 13. INCOME TAX (EXPENSE) CREDIT (continued)

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

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

|  | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|--|--------------------------------|------------------|
| Loss before taxation   | <b>(67,653)</b>                | (65,596)         |
| Tax at domestic income tax rate of 16.5% (2024: 16.5%)                                 | <b>(11,163)</b>                | (10,823)         |
| Tax effect of expenses not deductible for tax purpose                                  | <b>5,298</b>                   | 5,319            |
| Tax effect of income not taxable for tax purpose                                       | <b>(3,949)</b>                 | (4,904)          |
| Tax effect of deductible temporary difference not recognised                           | <b>1,361</b>                   | 366              |
| Tax effect of utilisation of deductible temporary difference previously not recognised | <b>(265)</b>                   | (172)            |
| Tax effect of estimated tax losses not recognised                                      | <b>19,213</b>                  | 12,507           |
| Tax effect of utilisation of estimated tax losses previously not recognised            | <b>(4,900)</b>                 | (3,726)          |
| Overprovisions in prior years (Note)   | <b>(3,000)</b>                 | –                |
| Others   | <b>1,042</b>                   | (381)            |
| Income tax expense (credit)  | <b>3,637</b>                   | (1,814)          |

Note: During prior years, the Group recognised a tax payable of HK\$3 million in respect of a gain on disposal of a property by a subsidiary of the Company as the Group took the view that such transaction was subject to profits tax under the Inland Revenue Ordinance. During the current year, the Group reassessed the aforementioned tax position and concluded that it is no longer probable that the Group shall pay profits tax in respect of such gain as the number of years of assessment pertaining to the transaction has exceeded the statutory limitation period under the Inland Revenue Ordinance. Consequently, the HK\$3 million tax payable previously recognised was reversed in the current year.

## 14. LOSS FOR THE YEAR

|  | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|--|--------------------------------|------------------|
| Loss for the year has been arrived at after charging:  |                                |                  |
| Depreciation of right-of-use assets (Note 18)  | <b>75,526</b>                  | 88,818           |
| Cost of inventories in retailing business (including write-down of inventories of HK\$441,000 (2024: HK\$1,977,000)) | <b>410,825</b>                 | 468,124          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 15. LOSS PER SHARE

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

|  | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|--|--------------------------------|------------------|
| <b>Loss</b>  |                                |                  |
| Loss for the purposes of basic and diluted loss per share                                      | <b>(52,762)</b>                | (58,266)         |
|  | <b>'000</b>                    | '000             |
| <b>Number of shares</b>  |                                |                  |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | <b>80,714</b>                  | 80,720           |

The incremental shares from assumed exercise of share options granted by the Company are excluded in calculating the diluted loss per share during the years ended 31 December 2025 and 2024 because they are antidilutive in calculating the diluted loss per share.

The effect of assumed exercise of share options granted by CFSG are excluded in calculating the diluted loss per share for years of 2025 and 2024 because they are antidilutive.

## 16. DIVIDENDS

No dividend was paid or proposed during 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 17. PROPERTY AND EQUIPMENT

|  | <b>Leasehold<br/>improvements</b> | <b>Furniture,<br/>fixtures and<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b> |
|--|-----------------------------------|--|---------------------------|--------------|
|  | HK\$'000                          | HK\$'000   | HK\$'000                  | HK\$'000     |
| <b>COST</b>  |                                   |  |                           |              |
| At 1 January 2024                                  | 81,946                            | 27,528   | 4,147                     | 113,621      |
| Additions  | 159                               | 2,700  | –                         | 2,859        |
| Disposals  | (18,624)                          | (9,432)  | –                         | (28,056)     |
| At 31 December 2024                                | 63,481                            | 20,796   | 4,147                     | 88,424       |
| Additions  | 909                               | 625  | –                         | 1,534        |
| Disposals  | (12,104)                          | (144)  | –                         | (12,248)     |
| Exchange adjustments                               | –                                 | 90   | –                         | 90           |
| At 31 December 2025                                | 52,286                            | 21,367   | 4,147                     | 77,800       |
| <b>ACCUMULATED DEPRECIATION AND<br/>IMPAIRMENT</b> |                                   |  |                           |              |
| At 1 January 2024                                  | 67,167                            | 13,924   | 3,447                     | 84,538       |
| Provided for the year                              | 5,563                             | 5,058  | 82                        | 10,703       |
| Eliminated on disposals                            | (18,610)                          | (6,979)  | –                         | (25,589)     |
| At 31 December 2024                                | 54,120                            | 12,003   | 3,529                     | 69,652       |
| Provided for the year                              | 4,378                             | 3,640  | 82                        | 8,100        |
| Eliminated on disposals                            | (10,648)                          | (135)  | –                         | (10,783)     |
| Exchange adjustments                               | –                                 | 10   | –                         | 10           |
| At 31 December 2025                                | 47,850                            | 15,518   | 3,611                     | 66,979       |
| <b>CARRYING AMOUNTS</b>                            |                                   |  |                           |              |
| At 31 December 2025                                | 4,436                             | 5,849  | 536                       | 10,821       |
| At 31 December 2024                                | 9,361                             | 8,793  | 618                       | 18,772       |

The above property and equipment are depreciated on a straight-line basis over the following years:

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| Leasehold improvements            | Shorter of the lease terms or 5 years |
| Furniture, fixtures and equipment | 3 to 7 years                          |
| Motor vehicles                    | 3 to 5 years                          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 18. RIGHT-OF-USE ASSETS

|  | <b>Leased<br/>properties</b><br>HK\$'000 | <b>Motor<br/>vehicles</b><br>HK\$'000 | <b>Total</b><br>HK\$'000 |
|--|--|---------------------------------------|--------------------------|
| <b>COST</b>                                    |  |                                       |                          |
| At 1 January 2024                              | 796,959                                  | 2,322                                 | 799,281                  |
| Additions                                      | 44,783                                   | –                                     | 44,783                   |
| Written off upon end of leases                 | (286,952)                                | (2,322)                               | (289,274)                |
| Early termination of a lease                   | (1,498)                                  | –                                     | (1,498)                  |
| At 31 December 2024                            | 553,292                                  | –                                     | 553,292                  |
| Additions                                      | 54,841                                   | –                                     | 54,841                   |
| Written off upon end of leases                 | (416,134)                                | –                                     | (416,134)                |
| At 31 December 2025                            | 191,999                                  | –                                     | 191,999                  |
| <b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b> |  |                                       |                          |
| At 1 January 2024                              | 683,575                                  | 2,322                                 | 685,897                  |
| Provided for the year                          | 88,818                                   | –                                     | 88,818                   |
| Written off upon end of leases                 | (286,952)                                | (2,322)                               | (289,274)                |
| Early termination of a lease                   | (643)                                    | –                                     | (643)                    |
| At 31 December 2024                            | 484,798                                  | –                                     | 484,798                  |
| Provided for the year                          | 75,526                                   | –                                     | 75,526                   |
| Written off upon end of leases                 | (416,134)                                | –                                     | (416,134)                |
| At 31 December 2025                            | 144,190                                  | –                                     | 144,190                  |
| <b>CARRYING VALUES</b>                         |  |                                       |                          |
| At 31 December 2025                            | 47,809                                   | –                                     | 47,809                   |
| At 31 December 2024                            | 68,494                                   | –                                     | 68,494                   |

The Group has the following expenses and cash outflow in relation to leases:

|  | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 |
|--|--------------------------------|------------------|
| Additions  | <b>54,841</b>                  | 44,783           |
| Expense relating to short-term leases  | <b>397</b>                     | 533              |
| Expense relating to leases of low-value assets,<br>excluding short-term leases of low value assets | –                              | 10               |
| Variable lease payments not included in the<br>measurement of lease liabilities                    | <b>3,534</b>                   | 5,905            |
| Total cash outflow of the leases   | <b>81,297</b>                  | 105,680          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 18. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases various retail stores, warehouses, office premises and motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 year to 3 years (2024: 1 year to 4 years) but may have extension options for certain lease contracts as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for smaller office premises and office equipment. For the year ended 31 December 2025, the Group also entered into several short-term leases for advertising billboards. The short-term lease expense disclosed above, which excluded expenses relating to leases with a lease term of one month or less.

### Variable lease payments

Leases of retail stores are either with only fixed lease payments or higher of variable lease payment that are based on 5% to 10% (2024: 5% to 13%) of sales and minimum annual lease payment that are fixed over the lease term. The payment terms are common in retail stores in Hong Kong where the Group operates. The amount of fixed and variable lease payments paid/payable to relevant lessors:

|   | Number of<br>retail stores | Fixed<br>payments<br>HK\$'000 | Variable<br>payments<br>HK\$'000 | Total<br>HK\$'000 |
|---|----------------------------|-------------------------------|----------------------------------|-------------------|
| <b>Year ended 31 December 2025</b>            |                            |                               |                                  |                   |
| Retail stores without variable lease payments | 6                          | 23,221                        | N/A                              | 23,221            |
| Retail stores with variable lease payments    | 13                         | 42,960                        | 3,534                            | 46,494            |
|   |                            | <b>66,181</b>                 | <b>3,534</b>                     | <b>69,715</b>     |
| <b>Year ended 31 December 2024</b>            |                            |                               |                                  |                   |
| Retail stores without variable lease payments | 6                          | 24,121                        | N/A                              | 24,121            |
| Retail stores with variable lease payments    | 13                         | 52,804                        | 5,905                            | 58,709            |
|   |                            | 76,925                        | 5,905                            | 82,830            |

The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. Variable rent expenses are expected to continue to represent a similar proportion of retail store sales in future years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 18. RIGHT-OF-USE ASSETS (continued)

### Extension and termination options

The Group has extension option in certain leases for retail stores as at 31 December 2025 and 2024. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension held are exercisable only by the Group and not by the respective lessors.

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

|                           | <b>Lease liabilities recognised as at 31 December 2025</b> | <b>Potential future lease payments not included in lease liabilities (undiscounted) as at 31 December 2025</b> | <b>Lease liabilities recognised as at 31 December 2024</b> | <b>Potential future lease payments not included in lease liabilities (undiscounted) as at 31 December 2024</b> |
|---------------------------|--|--|--|--|
|                           | <b>HK\$'000</b>  | <b>HK\$'000</b>  | <b>HK\$'000</b>  | <b>HK\$'000</b>  |
| Retail stores – Hong Kong | <b>2,775</b>   | <b>3,150</b>   | 9,733  | 10,800   |

During the year ended 31 December 2025 and 2024, the Group has not exercised any extension option. The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2025 and 2024, there is no such triggering event.

### Restrictions or covenants on leases

In addition, lease liabilities of HK\$49,526,000 are recognised with related right-of-use assets of HK\$47,809,000 as at 31 December 2025 (2024: lease liabilities of HK\$72,402,000 are recognised with related right-of-use assets of HK\$68,494,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in notes 33 and 39.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 19. GOODWILL

|  | HK\$'000 |
|--|----------|
| <b>COST</b>  |          |
| At 1 January 2024, 31 December 2024 and 31 December 2025 | 238,440  |
| <b>IMPAIRMENT</b>  |          |
| At 1 January 2024, 31 December 2024 and 31 December 2025 | 198,997  |
| <b>CARRYING AMOUNTS</b>                                  |          |
| At 31 December 2024                                      | 39,443   |
| At 31 December 2025                                      | 39,443   |

The carrying amounts of goodwill are allocated to the retailing CGU. Particulars regarding impairment testing on goodwill as at 31 December 2025 and 2024 are disclosed in note 21.

## 20. INTANGIBLE ASSETS

|   | Domain<br>name<br>HK\$'000<br>(Note (a)) | Trademark<br>HK\$'000<br>(Note (b)) | Trading<br>rights of<br>financial<br>services<br>HK\$'000<br>(Note (c)) | Total<br>HK\$'000 |
|---|--|-------------------------------------|---|-------------------|
| <b>COST</b>   |  |                                     |   |                   |
| At 1 January 2024, 31 December 2024 and<br>31 December 2025 | 5,460                                    | 38,000                              | 4,041   | 47,501            |
| <b>AMORTISATION AND<br/>ACCUMULATED IMPAIRMENT</b>          |  |                                     |   |                   |
| At 1 January 2024, 31 December 2024 and<br>31 December 2025 | -  | -                                   | -   | -                 |
| <b>CARRYING AMOUNTS</b>                                     |  |                                     |   |                   |
| At 31 December 2025   | 5,460                                    | 38,000                              | 4,041   | 47,501            |
| At 31 December 2024   | 5,460                                    | 38,000                              | 4,041   | 47,501            |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 20. INTANGIBLE ASSETS (continued)

Notes:

- (a) At 31 December 2025, intangible assets with carrying amounts of HK\$5,460,000 (2024: HK\$5,460,000) represent domain name. It represents the legal and beneficial ownership of domain name "www.shanghai.com" and has indefinite useful life. The domain name is considered by management of the Group as having an indefinite useful life because it is expected to be used indefinitely. The domain name will not be amortised until its useful life is determined to be finite, instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the purpose of impairment testing on domain name at 31 December 2025 and 2024, the recoverable amount has been determined based on fair value less costs of disposal. The fair value less costs of disposal is arrived at by market approach, with reference to the desirability of the domain name through recent sales or offering of similar domain name currently on the market in order to arrive at an indication of the most probable selling price for the domain name. The fair value less costs of disposal at 31 December 2025 and 2024 was supported by a valuation carried out by Peak Vision Appraisals Limited, an independent qualified professional valuer not connected with the Group.

- (b) At 31 December 2025, trademark amounting to HK\$38,000,000 (2024: HK\$38,000,000) represents the perpetual right for the use of the brand name 'Pricerite' in Hong Kong which takes the form of a sign, symbol, name, logo design or any combination thereof arising from acquisition of retail business. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trademark has no foreseeable limit to the period over which the products are expected to generate future economic benefits for the Group. As a result, the trademark is considered by the management of the Group as having an indefinite useful life. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars regarding impairment testing on trademark are disclosed in note 21.

- (c) At 31 December 2025, intangible assets amounting to HK\$4,041,000 (2024: HK\$4,041,000) represent trading rights that confer eligibility of the Group to trade on the Stock Exchange and the Hong Kong Futures Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate future economic benefits. As a result, the trading rights were considered by the management of the Group as having an indefinite useful life. The trading rights will not be amortised until their useful life is determined to be finite. Instead these will be tested for impairment annually and whenever there is an indication that they may be impaired.

For impairment testing purpose, the recoverable amount of the trading rights is determined based on the fair value less cost of disposal. The directors of the Company consider that the fair value less cost of disposal of the trading rights is more than the carrying amounts and accordingly, no impairment is recognised in profit or loss for both years.

## 21. IMPAIRMENT ASSESSMENT ON PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL

### (a) Retailing CGU

For the purpose of impairment testing, the carrying amounts of goodwill and trademark set out in notes 19 and 20 have been allocated to the group of retailing CGUs.

Goodwill of HK\$39,443,000 (2024: HK\$39,443,000) and trademark of HK\$38,000,000 (2024: HK\$38,000,000) are allocated to the group of CGUs of retailing business in Hong Kong. In addition to goodwill and trademark, a portion of property and equipment of HK\$8,656,000 (2024: HK\$14,783,000) that generate cash flows together with the related goodwill and trademark are also included in the group of CGUs of retailing business for the purpose of impairment assessment.

The recoverable amount of the group of CGUs of retailing business has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering a five-year period having an average annual growth rate of 3% and discounted using a pre-tax discount rate of 15.9% (2024: five-year period, average annual growth rate of 2.5% and pre-tax discount rate of 17.2%) and a terminal value using the perpetuity method at a growth rate of 2% (2024: 2.5%). A key assumption for the value in use calculation is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development in Hong Kong.

The cash flow projections and growth rates have been determined by management with reference to the Group's financial performance for the years ended 31 December 2025 and 2024 and available market data from external sources.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 21. IMPAIRMENT ASSESSMENT ON PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL (continued)

### (a) Retailing CGU (continued)

No impairment has been recognised on the Retailing CGU for both years as the estimated recoverable amounts exceeded the carrying amounts. Management of the Group believes that any reasonably possible change in any of the assumptions would not cause the carrying amount of the Retailing CGU to exceed the recoverable amount.

### (b) Financial Services CGU

For impairment testing purpose, the recoverable amount of the property and equipment and right-of-use assets have been determined with reference to the recoverable amount based on a value-in-use calculation. The directors of the Company consider that the value-in-use calculation is more than the carrying amounts and accordingly, no impairment is recognised in profit or loss for both years.

## 22. DEFERRED TAX ASSETS/LIABILITIES

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

|                          | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------------------|------------------|------------------|
| Deferred tax assets      | 5,450            | 7,264            |
| Deferred tax liabilities | (14,630)         | (11,111)         |
|                          | <b>(9,180)</b>   | <b>(3,847)</b>   |

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

|                                    | Tax<br>losses<br>HK\$'000 | Decelerated<br>tax<br>depreciation<br>HK\$'000 | Unrealised<br>gain on<br>financial<br>assets<br>at FVTPL<br>HK\$'000 | Total<br>HK\$'000 |
|------------------------------------|---------------------------|--|--|-------------------|
| At 1 January 2024                  | –                         | 5,450  | (11,111)   | (5,661)           |
| Credit to profit or loss (Note 13) | 1,814                     | –  | –  | 1,814             |
| At 31 December 2024                | 1,814                     | 5,450  | (11,111)   | (3,847)           |
| Charge to profit or loss (Note 13) | (1,814)                   | –  | (3,519)  | (5,333)           |
| At 31 December 2025                | –                         | 5,450  | (14,630)   | (9,180)           |

As at 31 December 2025, the Group has deductible temporary differences in respect of decelerated tax depreciation and estimated unused tax losses of HK\$111,783,000 and HK\$1,680,534,000 (2024: HK\$105,140,000 and HK\$1,593,790,000) available for offset against future taxable profits. A deferred tax has been recognised in respect of HK\$ nil (2024: HK\$7,256,000) of such losses. No deferred tax asset has been recognised in respect of the remaining deductible temporary differences and estimated unused tax losses of HK\$111,783,000 and HK\$1,680,534,000 (2024: HK\$105,140,000 and HK\$1,586,534,000) due to the unpredictability of future taxable profit streams.

For certain subsidiaries operating in the PRC, unrecognised tax losses of HK\$8,521,000 (2024: HK\$5,776,000) will expire in various dates up to 2029 (2024: 2028). The remaining unrecognised tax losses of the Group can be carried forward indefinitely.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 23. ACCOUNTS RECEIVABLES

|   | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|-------|------------------|------------------|
| Accounts receivable arising from retailing business                             | (a)   | 3,936            | 1,013            |
| Accounts receivable arising from the business of dealing in securities          | (b)   | 24,172           | 42,434           |
| Accounts receivable arising from the business of margin financing               | (b)   | 63,236           | 114,506          |
| Accounts receivable arising from the business of dealing in futures and options | (b)   | 16,324           | 15,469           |
| Accounts receivable arising from the business of investment management          |       | 834              | –                |
| Less: allowance for impairment  |       | (13,121)         | (55,243)         |
|   |       | <b>95,381</b>    | <b>118,179</b>   |

As at 1 January 2024, the accounts receivable arising from retailing business were amounted to HK\$2,039,000.

Notes:

- (a) The Group allows an average credit period of 30 – 60 days to its corporate customers on retailing business. The ageing analysis based on the invoice date, which is approximately the revenue recognition date, is as follows:

|              | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------|------------------|------------------|
| 0 – 30 days  | 3,407            | 782              |
| 31 – 60 days | 48               | 33               |
| 61 – 90 days | 10               | 43               |
| Over 90 days | 471              | 155              |
|              | <b>3,936</b>     | <b>1,013</b>     |

As at 31 December 2025, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of HK\$481,000 (2024: HK\$198,000) which are past due as at the reporting date. Out of the past due balances, HK\$471,000 (2024: HK\$155,000) has been past due 90 days or more and is not considered as in default since the directors of the Company are of the opinion that the balances are still considered fully recoverable due to the management's historical experience on the settlement pattern or record from these debtors. The Group does not hold any collateral over these balances.

- (b) The normal settlement terms of accounts receivable arising from the business of dealing in securities are usually two days after trade date or at specific terms agreed with clients, brokers, dealers and accounts receivable arising from the business of dealing in futures and options are one day after trade date. As at 1 January 2024, accounts receivable from cash clients, brokers, dealers and clearing houses arising from the business of dealing in securities amounted to HK\$56,229,000.

The Group provides customers with margin financing for securities transactions secured by customers' securities held as collateral. Securities are assigned with specific margin ratios for calculating margin values. Additional funds or collateral are required if the amount of accounts receivable from margin clients outstanding exceeds the eligible margin value of the securities deposited.

The customers' listed securities can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. The Group is able to use clients' securities up to the amount of 140% of the accounts receivable from margin clients as collateral of the Group's borrowings. The accounts receivable from margin clients are repayable on demand and bear interest at commercial rates. As at 31 December 2025, accounts receivable from margin clients are secured by clients' pledged securities with fair value of approximately HK\$128,480,000 (2024: HK\$129,444,000), of which 33% (2024: 28%) of accounts receivable arising from the business of margin financing are fully collateralised.

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously. Details are set out in note 39.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business in margin financing.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 24. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

|                                     | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------------|-------|------------------|------------------|
| Receivables from securities brokers | (a)   | <b>78,767</b>    | 91,688           |
| Prepayments                         |       | <b>8,045</b>     | 7,272            |
| Rental deposits                     |       | <b>19,208</b>    | 27,614           |
| Other deposits                      | (b)   | <b>10,471</b>    | 12,778           |
| Other receivables                   | (b)   | <b>39,831</b>    | 24,692           |
|                                     |       | <b>156,322</b>   | 164,044          |
| Analysed for reporting purposes as: |       |                  |                  |
| Current assets                      |       | <b>150,506</b>   | 155,718          |
| Non-current assets                  |       | <b>5,816</b>     | 8,326            |
|                                     |       | <b>156,322</b>   | 164,044          |

Notes:

- (a) Receivables from securities brokers represents deposits placed with securities brokers for securities trading purposes and carry interest at prevailing market rates.
- (b) Other deposits and other receivables are non-interest bearing and repayable on demand or within one year.

## 25. LOANS RECEIVABLES

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Revolving loans receivable denominated in: |                  |                  |
| Hong Kong dollars                          | <b>16,905</b>    | 12,139           |
| United States dollars                      | –                | 54               |
|  | <b>16,905</b>    | 12,193           |
| Less: allowance for impairment             | <b>(307)</b>     | (1,307)          |
|  | <b>16,598</b>    | 10,886           |

The Group has policy for assessing the impairment of loans receivable on an individual basis. The assessment is based on a close monitoring and evaluation of collectability and on management's judgment, including the current creditworthiness, collateral value (if any), the past collection history of each client and supportive forward-looking information.

At the end of the reporting period, the Group's loans receivable were individually assessed for impairment. In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivable from the date of the credit was initially granted up to the reporting date.

As at 31 December 2025, loans receivable are unsecured and have contractual interest rates ranging from 2.45% to 10% (2024: 2% to 10%) per annum. The Group has concentration of credit risk from five (2024: six) senior management and three (2024: three) staff, of the Group, in which the loans receivable included a total carrying amount of HK\$12,298,000 (2024: HK\$7,686,000) and HK\$4,300,000 (2024: HK\$3,200,000) respectively.

Details of impairment assessment at 31 December 2025 and 2024 are set out in note 39.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 25. LOANS RECEIVABLES (continued)

The carrying amount of the loans receivable has remaining contractual maturity dates as follows:

|                              | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------|------------------|------------------|
| On demand or within one year | <b>16,598</b>    | 10,886           |

## 26. FINANCIAL ASSETS AT FVTOCI

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| Unlisted equity investments at fair value | <b>4,806</b>     | 4,806            |

The unlisted investments are not held for trading, instead, they are held for long-term strategic purposes. These unlisted investments are designated as at FVTOCI, as recognising short-term fluctuations in the investments' fair value in profit or loss would not be consistent with the Group's strategy of holding the investments for long-term purposes and realising their performance potential in the long run.

## 27. FINANCIAL ASSETS AT FVTPL

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Financial assets mandatorily measured at FVTPL:    |                  |                  |
| Listed securities held for trading:                |                  |                  |
| – Equity securities listed in Hong Kong (note (a)) | <b>1,226</b>     | 23,362           |
| Other investment:                                  |                  |                  |
| – Unlisted fund investment (note (b))              | <b>4,518</b>     | 4,592            |
| – Unlisted fund investments (note (c))             | <b>21,452</b>    | 18,128           |
|  | <b>27,196</b>    | 46,082           |

Notes:

- (a) The fair values of the listed equity securities are determined based on the quoted market bid prices available on the relevant exchanges.
- (b) The fair value of the unlisted fund investment is determined with reference to the net asset value of the fund whose quoted market price is not available.
- (c) The fair value of the unlisted fund investment is determined with reference to the dealing price of the investment funds derived from the net assets values of the investment funds with reference to observable quoted prices of underlying investment portfolio in active markets and fair value of the remaining assets, as provided by a broker.

|                                     | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------------|------------------|------------------|
| Analysed for reporting purposes as: |                  |                  |
| Current assets                      | <b>22,678</b>    | 41,490           |
| Non-current assets                  | <b>4,518</b>     | 4,592            |
|                                     | <b>27,196</b>    | 46,082           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 28. FIXED DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS AND PLEDGED BANK DEPOSITS/BANK BALANCES (TRUST AND SEGREGATED ACCOUNTS)/BANK BALANCES (GENERAL ACCOUNTS) AND CASH

### Fixed deposits with original maturity over three months

The balances carry fixed interest rate at 0.8% per annum.

### Pledged bank deposits

The pledged bank deposits carried fixed rate in a range of 0.125% to 2.3% (2024: 0.01% to 3%) per annum, which was the effective interest rate on the Group's bank deposits. Pledged bank deposits of HK\$30,000,000 (2024: HK\$30,000,000) and HK\$ nil (2024: HK\$2,818,000) are pledged to secure short-term loan and short-term undrawn facilities, respectively, and are therefore classified as current assets.

The pledged bank deposits will be released upon the repayment of relevant bank borrowings or expiration of the facilities.

### Bank balances – trust and segregated accounts

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of its ordinary business. Such monies are maintained in one or more segregated bank accounts and bear interest at commercial rate. The Group has recognised the corresponding liabilities to respective external clients and other institutions as accounts payable (note 29). However, the Group does not have a currently enforceable right to offset those payables with the deposits placed.

### Bank balances (general accounts) and cash

The amounts comprise cash held by the Group and short-term bank deposits at market interest rates in a range of 0.01% to 3% (2024: 0.01% to 3%) per annum with an original maturity of three months or less.

## 29. ACCOUNTS PAYABLE

|  | Notes | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|-------|------------------|------------------|
| Accounts payable arising from retailing business                             | (a)   | 113,351          | 102,775          |
| Accounts payable arising from the business of dealing in securities          | (b)   | 387,171          | 323,499          |
| Accounts payable arising from the business of dealing in futures and options | (b)   | 24,637           | 28,083           |
|  |       | <b>525,159</b>   | 454,357          |

Notes:

- (a) Trade creditors arising from retailing business principally comprise amount outstanding for trade purpose and ongoing cost. The credit period taken for trade purchases ranges from 15 to 90 days (2024: 15 to 90 days).

The following is an ageing analysis (from invoice date) of trade creditors arising from retailing business at the end of the reporting period:

|              | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--------------|------------------|------------------|
| 0 – 30 days  | 45,836           | 50,670           |
| 31 – 60 days | 48,519           | 37,270           |
| 61 – 90 days | 16,505           | 11,071           |
| Over 90 days | 2,491            | 3,764            |
|              | <b>113,351</b>   | 102,775          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 29. ACCOUNTS PAYABLE (continued)

Notes: (continued)

- (b) The settlement terms of accounts payable from the business of dealing in securities are two days after trade date, and accounts payable arising from the business of dealing in futures and options contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to clients arising from the business of dealing in futures and options are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Except for the accounts payable to clients arising from the business of dealing in securities which bear interest at a fixed rate, all other accounts payable are non-interest bearing.

Accounts payable amounting to HK\$372,550,000 (2024: HK\$308,246,000) are payable to external clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

## 30. FINANCIAL LIABILITIES ARISING FROM CONSOLIDATED INVESTMENT FUNDS

The Group had consolidated three structured entities including investment funds. For the investment funds where the Group involves as general partner and also as investors holding substantial shares which makes the Group has control over these structured entities.

Third-party interests in consolidated investment funds consist of third-party investors' interests in consolidated investment funds which are reflected as a liability since they can be put back to the Group for cash. The realisation of net assets attributable to third-party investors' interests in consolidated investment funds cannot be predicted with accuracy since these represent the interests of third-party unitholders in consolidated investment funds that are subject to the actions of third-party unitholders.

For the year ended 31 December 2025, investment returns of the Group related to interests held by third-party unitholders of gain of HK\$2,362,000 (2024: gain of HK\$33,000) in consolidated investment funds are included in other gains (losses) (note 7) in the consolidated statement of profit or loss and other comprehensive income. During the current year, the Group de-consolidated an investment fund due to decrease in interests held by the Group as an investor which the Group re-assessed the exposure to variability of returns from the activities of the asset management products is no longer of such significant that it indicates the Group is a principal in such fund and therefore de-consolidated such fund. The remaining interest held by the Group on such fund was classified as a financial asset at FVTPL (note 27)) and the Group on the date of de-consolidation. As at 31 December 2024, third party interests held was classified as a financial liability designated at FVTPL with carrying amount of HK\$1,515,000.

## 31. ACCRUED LIABILITIES AND OTHER PAYABLES

|                                    | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|------------------------------------|------------------|------------------|
| Accrued liabilities                |                  |                  |
| – Salaries and commission payables | 15,755           | 17,621           |
| – Other accrued liabilities        | 18,302           | 20,400           |
| Other payables                     | 38,090           | 40,967           |
|                                    | <b>72,147</b>    | 78,988           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 32. CONTRACT LIABILITIES

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Advances received in relation to tailor-made furniture | 12,945           | 8,185            |
| Advances received in relation to other furniture       | 41,198           | 39,652           |
| Reward points under customer loyalty programme         | 2,554            | 3,455            |
|  | <b>56,697</b>    | 51,292           |

As at 1 January 2024, the contract liabilities were amounted to HK\$62,504,000.

### Tailor-made furniture and other furniture

Contract liabilities in relation to tailor-made and other furniture represent the advance payments received from the customers upon ordering of tailor-made furniture commences, or before delivery of other furniture, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

### Customer loyalty programme

The Group offers customer loyalty programme in the Group's retailing operation. Basically, the customers can earn one point for each dollar spent in the shops of the Group. The customers can enjoy discount by utilising the award points earned under the customer loyalty programme. All award points can be accumulated up to 31 December each year and will be expired in January of the following year.

Contract liabilities in relation to award points under customer loyalty programme represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the award points are redeemed.

For the contract liabilities as at 1 January 2025 and 2024, the entire balances were recognised as revenue in profit or loss during the year ended 31 December 2025 and 2024, respectively.

## 33. LEASE LIABILITIES

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Lease liabilities payable:   |                  |                  |
| Within one year  | 34,442           | 45,855           |
| More than one year but not more than two years                                 | 10,700           | 15,465           |
| More than two years but not more than five years                               | 4,384            | 11,082           |
|  | <b>49,526</b>    | 72,402           |
| Less: Amount due for settlement with 12 months shown under current liabilities | <b>(34,442)</b>  | (45,855)         |
| Amount due for settlement after 12 months shown under non-current liabilities  | <b>15,084</b>    | 26,547           |

The weighted average incremental borrowing rates applied to lease liabilities range from 4% to 5.25% (2024: 4% to 4.875%) per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 34. BORROWINGS

|                               | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-------------------------------|------------------|------------------|
| Secured bank borrowings       | 58,234           | 67,472           |
| Unsecured bank borrowing      | 5,000            | 5,000            |
| Secured trust receipt loans   | 22,714           | 21,721           |
| Unsecured trust receipt loans | 70,547           | 80,934           |
| Unsecured other borrowings    | 82,507           | 84,103           |
|                               | <b>239,002</b>   | 259,230          |

### Bank borrowings and trust receipt loans

|  | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------------------|------------------|
| Carrying amount repayable based on scheduled repayment terms:  |                  |                  |
| Within one year  | 122,495          | 129,102          |
| Carrying amount of bank borrowings and trust receipt loans<br>containing a repayment on demand clause: |                  |                  |
| Within one year  | 34,000           | 46,025           |
| Total  | 156,495          | 175,127          |
| Less: Amount under current liabilities   | (156,495)        | (175,127)        |
| Amount shown under non-current liabilities   | –                | –                |

### Other borrowings

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| Carrying amount repayable based on scheduled repayment terms: |                  |                  |
| In the second year  | 82,507           | 84,103           |
|   | <b>82,507</b>    | 84,103           |

As at 31 December 2025, the Group's secured bank borrowings and trust receipts of HK\$80,948,000 (2024: HK\$89,193,000) were secured and/or guaranteed by:

- (a) corporate guarantees from the Company;
- (b) corporate guarantees from certain subsidiaries of the Company;
- (c) marketable securities of the Group's clients with fair value of HK\$84,851,000 (2024: HK\$156,893,000) at 31 December 2025 (with clients' consent); and
- (d) pledged bank deposits of HK\$30,000,000 (2024: HK\$30,000,000) for short-term bank borrowings as disclosed in note 28.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 34. BORROWINGS (continued)

### Other borrowings (continued)

As at 31 December 2025, bank borrowings amounting to HK\$63,234,000 (2024: HK\$72,472,000) are variable-rate borrowings which carry interest at either Hong Kong Interbank Offered Rate ("HIBOR") or Hong Kong Prime Rate plus a spread. Trust receipts loans amounting to HK\$93,261,000 (2024: HK\$102,655,000) carry interest at either HIBOR or Hong Kong Prime Rate plus a spread.

The unsecured bank borrowing amounting to HK\$5,000,000 (2024: HK\$5,000,000) as at 31 December 2025 and unsecured trust receipt loans amounting to HK\$70,547,000 (2024: HK\$80,934,000) are guaranteed by the Company. The Group has unused short-term banking facilities of approximately HK\$80.5 million (2024: HK\$73.9 million) as at 31 December 2025.

The other borrowings amounting to HK\$82,507,000 (2024: HK\$84,103,000) were drawn from a related company controlled by a controlling shareholder with significant influence to the Group. It was unsecured, carried interest rate at Hong Kong Prime Rate plus a spread and repayable within two years (2024: within two years).

The effective interest rates on the Group's borrowings ranged from 4.50% to 5.88% (2024: 4.63% to 6.79%) per annum.

## 35. CONVERTIBLE BONDS

The Company issued two 5% convertible bonds, one under a general mandate ("GM Bond") on 19 June 2025 and one under a special mandate ("SM Bond") on 8 August 2025, each for proceeds of HK\$20,000,000. The convertible bonds, denominated in Hong Kong dollars, entitle the holders to convert into ordinary shares of the Company at a conversion price of HK\$1.25, any time after six months from the date of issue of the convertible bonds up to their settlement dates. The holders have options to require the Company to redeem all or some of the convertible bonds at par value plus accrued interest on maturity being 19 June 2026 for GM Bond and 8 August 2026 for SM Bond. If the bonds have not been converted or redeemed, they will be redeemed on maturity at par with accrued and unpaid interest. Interest of 5% per annum will be paid quarterly up until the settlement date.

At initial recognition, the equity component of the convertible bonds was separated from the liability component. The equity element is presented in equity under heading "Conversion Option reserve". The early redemption option is considered to be closely related to the host debt. The effective interest rate of the liability component is 15.24% for the GM Bond and 19.21% for the SM Bond, respectively.

The movement of the liability of the convertible bond since the issuance of the convertible bonds during the year is set out below:

|                                 | <b>31/12/2025</b><br><b>HK\$'000</b> |
|---------------------------------|--------------------------------------|
| <b>GM Bond</b>                  |                                      |
| Initial recognition on issuance | <b>15,139</b>                        |
| Interest charged                | <b>1,244</b>                         |
| Interest paid                   | <b>(250)</b>                         |
|                                 | <b>16,133</b>                        |
| <b>SM Bond</b>                  |                                      |
| Initial recognition on issuance | <b>13,633</b>                        |
| Interest charged                | <b>1,043</b>                         |
| Interest paid                   | <b>(500)</b>                         |
|                                 | <b>14,176</b>                        |
| At 31 December 2025             | <b>30,309</b>                        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 36. SHARE CAPITAL

|  | <b>Par value<br/>of each<br/>ordinary share</b> | <b>Number<br/>of shares</b> | <b>Amount</b> |
|--|---|-----------------------------|---------------|
|  | HK\$  | '000                        | HK\$'000      |
| Ordinary shares  |   |                             |               |
| Authorised:  |   |                             |               |
| At 1 January 2024, 31 December 2024 and 31 December 2025 | 0.2   | 150,000                     | 30,000        |
| Issued and fully paid:                                   |   |                             |               |
| At 1 January 2024 and 31 December 2024                   | 0.2   | 80,720                      | 16,144        |
| Share repurchased and cancelled during the year          | 0.2   | (22)                        | (4)           |
| At 31 December 2025                                      | 0.2   | 80,698                      | 16,140        |

## 37. NON-CONTROLLING INTERESTS

|  | <b>Share of<br/>net assets of<br/>subsidiaries</b> |
|--|--|
|  | HK\$'000   |
| At 1 January 2024  | 53,015   |
| Share of total comprehensive expense for the year                            | (5,516)  |
| Share held for share award scheme  | (4,405)  |
| At 31 December 2024  | 43,094   |
| Share of total comprehensive expense for the year                            | (18,528)   |
| Recognition of equity-settled share-based payments under share award scheme  | 6,982  |
| Recognition of equity-settled share-based payments under share option scheme | 3,400  |
| At 31 December 2025  | 34,948   |

## 38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debts, which include the lease liabilities, borrowings and convertible bonds disclosed in notes 33, 34 and 35, respectively, and equity attributable to owners of the Company, comprising share capital disclosed in note 36, reserves and accumulated losses as disclosed in consolidated statement of changes in equity. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

Following the acquisition of CFSG, certain subsidiaries of the Group are regulated by the Hong Kong Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules ("SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management of the Group closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS

### Categories of financial instruments

|                       | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|-----------------------|------------------|------------------|
| Financial assets      |                  |                  |
| At FVTPL              | 27,196           | 46,082           |
| At FVTOCI             | 4,806            | 4,806            |
| At amortised cost     | 823,354          | 763,362          |
| Financial liabilities |                  |                  |
| At amortised cost     | 832,561          | 754,554          |
| At FVTPL              | –                | 1,515            |

### Financial risk management objectives and policies

The Group's major financial instruments include accounts receivable and payable, deposits and other receivables, financial assets at FVTOCI, financial assets at FVTPL, loans receivable, pledged bank deposits, bank balances and cash, fixed deposits, financial liabilities arising from consolidated investment funds, other payables, lease liabilities, borrowings and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

##### Price risk

The Group is exposed to price risk arising from equity investments, unlisted fund investment, unconsolidated investment funds and financial liabilities arising from consolidated investment fund classified as at FVTPL. The Group's equity investments are listed on the Stock Exchange, while the unlisted investment funds are traded in the over-the-counter markets. In both years, the directors of the Company manage the exposure by closely monitoring the portfolio of investments and imposing trading limits on individual trades.

In addition, the Group also invested in unlisted equity investments for long-term strategic purposes which had been designated at FVTOCI.

The exposure to equity price risk for the Group's investments held for trading are insignificant to the Group. Accordingly, no sensitivity analysis is presented.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to fair value interest rate risk in relation to accounts payable to clients arising from business of dealing in securities, a loan receivable carrying fixed interest rate, lease liabilities and liability component of convertible bonds. The Group does not have fair value hedging policy. The Group is also exposed to cash flow interest rate risk in relation to balances with banks, accounts receivables arising from the business of margin financing, bank borrowings and certain loans receivable carrying interest at prevailing market rates. The Group currently does not have a cash flow interest rate hedging policy. However, management of the Group closely monitors its exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Prime Rate and HIBOR arising from the Group's variable interest rate instruments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Market risk (continued)

##### Interest rate risk (continued)

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (“IBORs”) with alternative nearly risk-free rates. Details of the impacts on the Group’s risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under “interest rate benchmark reform” in this note.

A 50 basis points (2024: 50 basis points) change is used and represents management’s assessment of the reasonably possible change in interest rates. The sensitivity analysis is prepared assuming the variable-rate financial instruments outstanding at the end of the reporting period were outstanding for the whole year. Bank balances are excluded from sensitivity analysis as these are subject to minimal interest rate fluctuation for both years. As at 31 December 2025, if the interest rate had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group’s loss after tax would increase/decrease by HK\$766,000 (2024: HK\$801,000). This is mainly attributable to the Group exposure to the interest rates on variable-rate borrowings, loans receivable and variable-rate account receivable arising from business of margin financing.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the cash flow interest rate risk as the year end exposure does not reflect the exposure during the year.

##### Foreign currency risk

The group entities have financial assets denominated in currencies other than their respective functional currencies. Consequently, the Group is exposed to risks that the exchange rate of functional currencies relative to other currencies may change in a manner that has an adverse effect on the value of the position of the Group’s assets and liabilities denominated in foreign currencies.

The exposure primarily arises from the receivables from foreign brokers, foreign currency deposits with banks, equity securities listed outside Hong Kong denominated in United States dollars (“USD”) and Renminbi (“RMB”) and accounts payable to clients denominated in USD and RMB. The management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exposure should the need arises. The directors of the Company do not expect significant foreign exchange risk arising from USD denominated monetary items in view of the Hong Kong dollar pegged system to the USD.

The carrying amounts of the major foreign currency denominated monetary assets and monetary liabilities of the Group at the end of the reporting period are as follows:

|     | Assets   |          | Liabilities |          |
|-----|----------|----------|-------------|----------|
|     | 2025     | 2024     | 2025        | 2024     |
|     | HK\$’000 | HK\$’000 | HK\$’000    | HK\$’000 |
| USD | 30,142   | 28,770   | 1,709       | 16,812   |
| RMB | 8,101    | 8,853    | 2,577       | 1,510    |

As at 31 December 2025, if RMB had strengthened/weakened by 5% (2024: 5%) against HK\$ and all other variables were held constant, the Group’s loss after tax would decrease/increase by HK\$231,000 (2024: HK\$307,000). Under the pegged exchange rate system, the financial impact in exchange fluctuation between HK\$ and USD is considered to be immaterial and therefore no sensitivity analysis has been prepared.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### **Financial risk management objectives and policies (continued)**

#### ***Credit risk and impairment assessment***

The Group's credit risk is primarily attributable to accounts receivable arising from retailing business and financial services business, loans receivable, receivables from securities brokers, deposits and other receivables, fixed bank deposits, pledged bank deposits and bank balances. Except for accounts receivable arising from the business of margin financing, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with these financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

#### *Accounts receivables arising from retailing business*

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group uses an internal credit rating system to assess the potential customer's credit quality and defines credit limits by customer. In addition, the Group performs impairment assessment under ECL model on balances individually. Based on assessment by the directors of the Company, the directors of the Company considers the ECL for these balances is insignificant.

#### *Account receivables arising from financial services business*

In order to minimise the credit risk on brokerage and financing services, the Credit and Risk Management Committee is set up to compile the credit and risk management policies, to approve credit limits and to determine any debt recovery action on delinquent receivables. In addition, the Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

#### *Loans receivable*

In order to minimise the credit risk, the Group has delegated teams at respective subsidiaries responsible for determination of credit limits and interest rate offered to customers. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on balances individually based on historical observed default rates over the expected life of the debtors, and forward-looking information that is available undue cost or effort. Based on assessment by the directors of the Company, the directors of the Company considers the ECL is insignificant.

#### *Deposits and other receivables*

For deposits and other receivables, the directors of the Company make periodic individual assessment on the recoverability of significant balances based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits. Based on assessment by the management of the Group, the ECL for these balances is insignificant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

*Receivables from securities brokers, pledged bank deposits and bank balances*

The management of the Group considers that the credit risks on receivables from securities brokers, pledged bank deposits, fixed bank deposits and bank balances are limited because the banks and securities brokers are financial institutions with high credit ratings assigned by international credit-rating agencies. The Group assessed 12-month ECL by reference to probability of default, loss given default by the relevant credit rating grades published by international credit rating agencies. Based on assessment by the management of the Group, the ECL for these balances is insignificant.

Except for CFSG's financial assets, the Group's internal credit risk grading assessment comprises the following categories:

| Internal credit rating | Descriptions  | Accounts receivables               | Other financial assets             |
|------------------------|---|------------------------------------|------------------------------------|
| Low risk               | The counterparty has a low risk of default and does not have any past-due amounts   | Lifetime ECL – not credit-impaired | 12-month ECL                       |
| Watch list             | Debtor frequently repays after due dates but usually settle in full   | Lifetime ECL – not credit-impaired | 12-month ECL                       |
| Doubtful               | There have been significant increases in credit risk since initial recognition through information developed internally or external resources | Lifetime ECL – not credit-impaired | Lifetime ECL – not credit-impaired |
| Loss                   | There is evidence indicating the asset is credit-impaired   | Lifetime ECL – credit-impaired     | Lifetime ECL – credit-impaired     |
| Write-off              | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery            | Amount is written off              | Amount is written off              |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

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

| Financial assets  | Notes | External credit rating              | Internal credit management and assessment | 12-month or lifetime ECL  | 2025  |                | 2024                            |                   |
|---|-------|-------------------------------------|---|---|---|----------------|---------------------------------|-------------------|
|   |       |                                     |   |   | Gross carrying amounts HK\$'000                   | HK\$'000       | Gross carrying amounts HK\$'000 | HK\$'000          |
| <b>Amortised cost</b>   |       |                                     |   |   |   |                |                                 |                   |
| Accounts receivable arising from retailing business   | 23    | N/A                                 | Low risk                                  | Lifetime ECL (not credit-impaired)                                    | <b>3,936</b>                                      | <b>3,936</b>   | 1,013                           | 1,013             |
| Accounts receivable arising from the business of dealing in securities, futures and options | 23    | N/A                                 | Note (f)                                  | 12-month ECL  | <b>40,496</b>                                     | <b>40,496</b>  | 57,903                          | 57,903            |
| Accounts receivable arising from the business of margin financing                           | 23    | N/A                                 | Note (d)                                  | 12-month ECL<br>Lifetime ECL (not credit-impaired)<br>Credit-impaired | <b>36,548</b><br><b>2</b><br><b>26,686</b>        | <b>63,236</b>  | 34,134<br>36                    | 80,336<br>114,506 |
| Account receivable arising from the business of investment                                  | 23    | N/A                                 | Note (f)                                  | 12-month ECL  | <b>834</b>  | <b>834</b>     | -                               | -                 |
| Loans receivable  | 25    | N/A                                 | Notes (a), (e)                            | 12-month ECL<br>Credit-impaired                                       | <b>16,905</b><br><b>-</b>                         | <b>16,905</b>  | 10,735<br>1,458                 | 12,193            |
| Deposits and other receivables  | 24    | N/A<br>N/A                          | Note (e)                                  | 12-month ECL<br>Lifetime ECL (not credit-impaired)                    | <b>39,831</b><br><b>29,679</b>                    | <b>69,510</b>  | 24,692<br>40,392                | 65,084            |
| Receivables from securities brokers   | 24    | N/A                                 | Note (c)                                  | 12-month ECL  | <b>78,767</b>                                     | <b>78,767</b>  | 91,688                          | 91,688            |
| Pledged bank deposits   | 28    | Aa3 – Aa1<br>A3 – A1                | N/A<br>N/A                                | 12-month ECL<br>12-month ECL  | <b>25,000</b><br><b>5,000</b>                     | <b>30,000</b>  | 25,000<br>7,818                 | 32,818            |
| Bank balances and fixed deposits  | 28    | Aa3 – Aa1<br>A3 – A1<br>Baa3 – Baa1 | N/A<br>N/A<br>N/A                         | 12-month ECL<br>12-month ECL<br>12-month ECL                          | <b>12,187</b><br><b>417,815</b><br><b>103,096</b> | <b>533,098</b> | 10,166<br>348,539<br>86,002     | 444,707           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

Notes:

- (a) In order to minimise the credit risk, the management of the Group closely evaluates the borrower's financial background and repayment abilities. The assessment is based on a close monitoring and evaluation of the collectability of each individual account and the past collection history. As at 31 December 2025, the Group had concentration of credit risk on loans receivable as 91% (2024: 70%) of the outstanding balance is from the top five (2024: five) borrowers. As at 31 December 2025, the management considered an unsecured loan overdue more than 90 days of HK\$ nil (2024: HK\$1,458,000) to be uncollectable and credit-impaired. The loans receivable of HK\$16,905,000 (2024: HK\$10,735,000) are not overdue and are considered to have no significant increase in credit risk since initial recognition. Accordingly, these are subject to 12-month ECL.
- (b) The Group has concentration of credit risk arising from bank balances which are mainly deposited with three banks. The credit risk on bank balances and bank deposits is limited because the counterparties are major institutional banks with credit ratings of Baa3 or higher assigned by international credit-rating agencies. These institutional banks have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECL.
- (c) The Group has no significant concentration of credit risk as the exposure is spread over a number of counterparties and customers, except for the liquid funds which are deposited with several banks with high credit ratings and receivables from three securities brokers in a total amount of HK\$78,767,000 (2024: HK\$91,688,000). Concentration of credit risk for loans receivable and account receivable from margin clients are disclosed below.
- (d) As at 31 December 2025, the Group had concentration of credit risk on the accounts receivable from margin clients as the aggregate balances with the five largest clients represent approximately 66% (2024: 61%) of total accounts receivable from margin clients. The Group considers that there is significant increase in credit risk since initial recognition and default indicator when the LTV ratio of a particular client has increased up to certain level for a certain period of time.

For non-credit-impaired margin accounts receivable arising from margin financing, the management performed a collective assessment that considers the past due status and LTV ratio. The ECL are assessed based on the Group's EAD, PD and LGD over the expected life of the accounts receivable. These are estimated on a portfolio basis using the Group's historical default and loss data and adjusted for forward-looking factors that are available without undue cost or effort.

For credit-impaired margin accounts receivable from margin clients, the management performs an individual assessment for each client by considering various factors, including the realisable value of securities or collateral from clients which are held by the Group, any subsequent settlements, and adjusting for forward-looking factors that are available without undue cost or effort.

- (e) The ECL is assessed by reference to the PD and LGD for the relevant credit rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort. For exposure from non-rated counterparties, the Group has assessed the ECL by reference to the PD and LGD of speculative grade ratings.
- (f) The credit risk for receivables from brokers and accounts receivable from clearing houses, brokers and dealers is limited as the counterparties are major financial institutions, brokers, dealers or clearing houses, all of which are governed by regulators including the Hong Kong Monetary Authority, the SFC and various overseas regulatory bodies. Given this regulatory oversight, the directors considered the risk of default on repayments to be insignificant. Accordingly, they are subject to 12-month ECL.

Except for accounts receivable arising from margin financing and loans receivable, the ECL impairment allowance determined for other financial assets carried at amortised cost and contract assets is insignificant and accordingly no provision has been made.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

- (a) The following table shows the reconciliation of loss allowance that has been recognised for accounts receivable arising from margin financing.

|  | 12m ECL<br>HK\$'000 | Lifetime<br>ECL (not<br>credit-<br>impaired)<br>HK\$'000 | Lifetime<br>ECL<br>(credit-<br>impaired)<br>HK\$'000 | Total<br>HK\$'000 |
|--|---------------------|--|--|-------------------|
| <b>As at 1 January 2024</b>                          | 28                  | 28   | 54,683   | 54,739            |
| – Transfer to lifetime ECL<br>(not credit-impaired)  | (4)                 | 4  | –  | –                 |
| – Transfer to 12m ECL                                | 3                   | (3)  | –  | –                 |
| – Impairment losses recognised                       | 164                 | 225  | 12,139   | 12,528            |
| – Impairment losses reversed                         | (142)               | (252)  | (11,630)   | (12,024)          |
| <b>As at 31 December 2024 and<br/>1 January 2025</b> | 49                  | 2  | 55,192   | 55,243            |
| – Transfer to lifetime ECL<br>(not credit-impaired)  | (5)                 | 5  | –  | –                 |
| – Impairment losses recognised                       | 123                 | 24   | 1,037  | 1,184             |
| – Impairment losses reversed                         | (133)               | (31)   | (977)  | (1,141)           |
| – Write-offs   | –                   | –  | (42,165)   | (42,165)          |
| <b>As at 31 December 2025</b>                        | 34                  | –  | 13,087   | 13,121            |

Note:

In determining the allowances for credit-impaired accounts receivable arising from margin financing, the management of the Group also takes into account shortfall by comparing the fair value of collateral and the outstanding balance of accounts receivable arising from margin financing. The directors of the Company consider that the recoverability of the credit-impaired accounts receivable arising from margin financing is highly reliant on the realisation of the collaterals held.

Accounts receivable arising from margin financing with a gross carrying amount of HK\$2,000 (2024: HK\$36,000) and HK\$26,686,000 (2024: HK\$80,336,000) were assessed as becoming lifetime ECL (not credit-impaired) due to significant increase in credit risk and lifetime ECL (credit-impaired) respectively due to the significant financial difficulty of the borrower and a breach of contract, such as a default. Accordingly, 12m ECL of HK\$5,000 (2024: HK\$4,000) were transferred to lifetime ECL (not credit-impaired) during the current year.

During the year ended 31 December 2025, The Group wrote off certain accounts receivable arising from margin financing when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The Group has taken legal action against the debtors to recover the amount due.

An additional impairment loss of HK\$1,037,000 (2024: HK\$12,139,000) on credit-impaired accounts receivable arising from margin financing with gross carrying amount of HK\$26,686,000 (2024: HK\$80,336,000) has been recognised during the year due to the decrease in fair value of collateral. Also, an impairment loss of HK\$977,000 (2024: HK\$11,630,000) on credit-impaired accounts receivable arising from margin financing with gross carrying amount of HK\$984,000 (2024: 23,750,000) has been reversed during the year due to repayment in margin financing.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

(b) The following table shows the reconciliation of loss allowance that has been recognised for loans receivable.

|  | 12m ECL<br>HK\$'000 | Lifetime<br>ECL<br>(credit-<br>impaired)<br>HK\$'000 | Total<br>HK\$'000 |
|--|---------------------|--|-------------------|
| <b>As at 1 January 2024</b>                      | 69                  | 1,361  | 1,430             |
| – Impairment losses reversed                     | (3)                 | (120)  | (123)             |
| <b>As at 31 December 2024 and 1 January 2025</b> | 66                  | 1,241  | 1,307             |
| – Impairment losses reversed                     | (27)                | –  | (27)              |
| – Impairment losses recognised                   | 268                 | –  | 268               |
| – Write-offs                                     | –                   | (1,241)  | (1,241)           |
| <b>As at 31 December 2025</b>                    | 307                 | –  | 307               |

#### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of borrowings and makes efforts to comply with all the loan covenants given that financial covenant terms of certain borrowing facilities have not been fulfilled.

During the year ended 31 December 2025, the Group has issued convertible bonds in the principal amount of HK\$40,000,000 during the year ended 31 December 2025 to support the operation and improve the liquidity of the retailing business of the Group, details of which are set out in note 35. The Group generated a net increase in cash and cash equivalents of HK\$21,168,000 (2024: a net decrease in cash and cash equivalents of HK\$96,599,000) during the year ended 31 December 2025.

It is the intention of the Group to improve its liquidity position. As a result, the Directors are taking active steps to manage the Group's liquidity risk. Details of these plans and measures are set out in Note 3.

#### Liquidity tables

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and customers. To address the risk, the treasury team works closely with the settlement division on monitoring the liquidity gap. In addition, for contingency purposes, clean loan facilities are put in place.

The following tables detail the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

Liquidity tables (continued)

Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed settlement dates.

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

|   | Weighted<br>average<br>effective<br>interest rate<br>% | Within<br>1 year or<br>repayable<br>on demand<br>HK\$'000 | Between<br>1 to 2<br>years<br>HK\$'000 | Between<br>2 to<br>5 years<br>HK\$'000 | Total<br>undiscounted<br>cash flows<br>HK\$'000 | Carrying<br>amount at the<br>end of the<br>reporting<br>period<br>HK\$'000 |
|---|--|---|--|--|---|--|
| <b>At 31 December 2025</b>  |  |   |  |  |   |  |
| Accounts payable  | N/A  | 525,159   | -                                      | -                                      | 525,159   | 525,159  |
| Other payables  | N/A  | 38,090  | -                                      | -                                      | 38,090  | 38,090   |
| Borrowings  | Note (1)   | 168,719   | 82,507                                 | -                                      | 251,226   | 239,002  |
| Leases liabilities  | Note (2)   | 36,577  | 10,457                                 | 4,500                                  | 51,534  | 49,526   |
| Liability component of<br>convertible bonds                         |  | 5,373   | 6,001                                  | 40,657                                 | 52,031  | 30,309   |
|   |  | <b>773,918</b>  | <b>98,965</b>                          | <b>45,157</b>                          | <b>918,040</b>                                  | <b>882,086</b>   |
| <b>At 31 December 2024</b>  |  |   |  |  |   |  |
| Accounts payable  | N/A  | 454,357   | -                                      | -                                      | 454,357   | 454,357  |
| Other payables  | N/A  | 40,967  | -                                      | -                                      | 40,967  | 40,967   |
| Financial liabilities arising from<br>consolidated investment funds | N/A  | 1,515   | -                                      | -                                      | 1,515   | 1,515  |
| Borrowings  | Note (1)   | 185,772   | 87,958                                 | -                                      | 273,730   | 259,230  |
| Leases liabilities  | Note (2)   | 47,895  | 15,658                                 | 11,130                                 | 74,683  | 72,402   |
|   |  | <b>730,506</b>  | <b>103,616</b>                         | <b>11,130</b>                          | <b>845,252</b>                                  | <b>828,471</b>   |

Notes:

(1) Variable-rate borrowings carry interest at either HIBOR or Hong Kong Prime Rate plus a spread. The prevailing market rate at the end of the reporting period is used in the maturity analysis.

(2) Lease liabilities carry weighted-average interest rate at 4.61% (2024: 4.09%).

Borrowings with a repayment on demand clause are included in the "within 1 year or repayment on demand" time band in the above maturity analysis. As at 31 December 2025, the aggregate carrying amounts of these bank loans amounted to HK\$34,000,000 (2024: HK\$46,025,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate payment. The directors of the Company believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. As at 31 December 2025, assuming the banks will not exercise their discretionary rights to demand immediate repayment, the aggregate principal and interest cash outflows within one year for such bank loans amount to HK\$35,614,000 (2024: HK\$48,796,000).

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ from the estimated interest rates determined at the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Fair value measurement of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

#### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input(s) used).

|   | Fair value as at             |                              | Fair value hierarchy | Valuation technique(s)  | Significant unobservable inputs  | Relationship of unobservable inputs to fair value                                   | Reasonable significant change in unobservable inputs | Increase(+)/decrease(-) in fair value of financial instruments by reasonable change in unobservable inputs<br>HK\$'000 |
|---|------------------------------|------------------------------|----------------------|---|--|---|--|--|
|   | 31 December 2025<br>HK\$'000 | 31 December 2024<br>HK\$'000 |                      |   |  |   |  |  |
| <b>Financial assets</b>   |                              |                              |                      |   |  |   |  |  |
| Financial assets at FVTPL   |                              |                              |                      |   |  |   |  |  |
| Investments held for trading<br>– Equity securities listed in Hong Kong/the PRC | 1,226                        | 23,362                       | Level 1              | Quoted prices in an active market   | N/A  | N/A   | N/A  | N/A  |
| <b>Other investments</b>  |                              |                              |                      |   |  |   |  |  |
| – Unlisted fund investment  | 21,452                       | 18,128                       | Level 2              | Dealing price of the investment funds derived from the net asset values of the investment funds with reference to observable quoted prices of underlying investment portfolio in active markets and fair value of the remaining assets, as provided by a broker | N/A  | N/A   | N/A  | N/A  |
| <b>Investment held for long-term strategic purpose</b>                          |                              |                              |                      |   |  |   |  |  |
| – Unlisted fund investment  | 4,518                        | 4,592                        | Level 3              | Net asset value of the fund calculated based on the discounted cash flows of underlying investments.  | Net assets value   | The higher the net assets value, the higher the fair value.                         | 10%  | 2025: +452/-452<br>(2024: +459/-459)   |
| <b>Financial assets at FVTOCI</b>   |                              |                              |                      |   |  |   |  |  |
| – Unlisted equity investment  | 4,806                        | 4,806                        | Level 3              | Market approach   | Discount factor for lack of marketability:<br>2025: 26%<br>(2024: 24%) | The higher the discount factor for lack of marketability, the lower the fair value. | 10%<br>10%   | 2025: -190/+190<br>(2024: -152/+152)   |
|   |                              |                              |                      |   | Price-to-Book (PB) Ratio*:<br>2025: 0.52<br>(2024: 0.64)               | The higher the PB ratio, the higher the fair value.                                 |  | 2025: -481/+481<br>(2024: -481/+480)   |

\* No sensitivity analysis is performed as the directors of the Company consider that the impact from PB ratio is not material.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Fair value measurement of financial instruments (continued)

#### Reconciliation of Level 3 fair value measurements

|   | <b>Financial assets<br/>at FVTPL</b><br>HK\$'000  |
|---|---|
| As at 1 January 2024                        | 4,691   |
| Total losses in profit or loss              | (99)  |
| As at 31 December 2024 and 1 January 2025   | 4,592   |
| Total losses in profit or loss              | (74)  |
| As at 31 December 2025                      | 4,518   |
|   | <b>Financial assets<br/>at FVTOCI</b><br>HK\$'000 |
| As at 1 January 2024                        | 25,821  |
| Total losses in other comprehensive income  | (4,072)   |
| Disposal during the year                    | (16,943)  |
| As at 31 December 2024 and 31 December 2025 | 4,806   |

For the year ended 31 December 2024, included in other comprehensive income is an amount of unrealised losses of HK\$4,072,000 related to unlisted equity investments at FVTOCI held as at 31 December 2024.

There were no transfers between Levels 1 and 2 during both years.

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

#### Financial assets and financial liabilities offsetting

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the consolidated statement of financial position as the offsetting criteria are not met.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial assets and financial liabilities offsetting (continued)

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to HKSCC, brokers and brokerage clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group and deposits placed with HKSCC 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.

|   | Gross<br>amounts of<br>recognised<br>financial<br>assets after<br>impairment<br>HK\$'000 | Gross<br>amounts of<br>recognised<br>financial<br>liabilities set<br>off in the<br>consolidated<br>statement<br>of financial<br>position<br>HK\$'000 | Net<br>amounts<br>of financial<br>assets<br>presented<br>in the<br>consolidated<br>statement<br>of financial<br>position<br>HK\$'000 | Related amounts not set off<br>in the consolidated statement of<br>financial position |                                     | Net amount<br>HK\$'000 |
|---|--|--|--|---|-------------------------------------|------------------------|
|   |  |  |  | Financial<br>instruments<br>HK\$'000  | Collateral<br>received*<br>HK\$'000 |                        |
| <b>As at 31 December 2025</b>   |  |  |  |   |                                     |                        |
| <b>Financial asset</b>  |  |  |  |   |                                     |                        |
| Accounts receivable arising from the business of dealing in securities and margin financing | 157,655  | (83,368)   | 74,287   | (8,517)   | (40,940)                            | 24,830                 |
| <b>As at 31 December 2024</b>   |  |  |  |   |                                     |                        |
| <b>Financial asset</b>  |  |  |  |   |                                     |                        |
| Accounts receivable arising from the business of dealing in securities and margin financing | 196,816  | (95,119)   | 101,697  | (7,541)   | (51,215)                            | 42,941                 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 39. FINANCIAL INSTRUMENTS (continued)

### Financial assets and financial liabilities offsetting (continued)

|  | Gross<br>amounts of<br>recognised<br>financial<br>assets set<br>off in the<br>consolidated<br>statement<br>of financial<br>position<br>HK\$'000 | Gross<br>amounts of<br>recognised<br>financial<br>liabilities<br>presented<br>in the<br>consolidated<br>statement<br>of financial<br>position<br>HK\$'000 | Net<br>amounts<br>of financial<br>liabilities<br>presented<br>in the<br>consolidated<br>statement<br>of financial<br>position<br>HK\$'000 | Related amounts not set off<br>in the consolidated statement of<br>financial position |                                | Net amount<br>HK\$'000 |
|--|---|---|---|---|--------------------------------|------------------------|
|  |   |   |   | Financial<br>instruments<br>HK\$'000  | Collateral<br>paid<br>HK\$'000 |                        |
| <b>As at 31 December 2025</b>  |   |   |   |   |                                |                        |
| <b>Financial liability</b>   |   |   |   |   |                                |                        |
| Accounts payable arising from the business of<br>dealing in securities | 464,154   | (83,368)  | 380,786   | (8,517)   | -                              | 372,269                |
| <b>As at 31 December 2024</b>  |   |   |   |   |                                |                        |
| <b>Financial liability</b>   |   |   |   |   |                                |                        |
| Accounts payable arising from the business of<br>dealing in securities | 418,618   | (95,119)  | 323,499   | (7,541)   | -                              | 315,958                |

\* These represent market value of shares pledged by customers, which are capped at the outstanding balances of respective customers.

## 40. SHARE OPTION SCHEME

### (A) Share option scheme of the Company

The Company's share option scheme ("Share Option Scheme") was adopted pursuant to a resolution passed at the special general meeting held on 30 September 2021.

The life of the Share Option Scheme is effective for 10 years from the date of adoption until 29 September 2031.

No share option has been granted by the Company, and no share options were outstanding, lapsed, cancelled or exercised under the Share Option Scheme for the year ended 31 December 2025.

### (B) Share option scheme of the CFSG

The share option scheme was adopted pursuant to an ordinary resolution passed at an annual general meeting of CFSG held on 8 June 2018 (the "CFSG Share Option Scheme").

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 40. SHARE OPTION SCHEME (continued)

### (B) Share option scheme of the CFSG (continued)

The major terms of the CFSG Share Option Scheme are summarised as follows:

- (i) The purpose is to provide incentives to:
  - award and retain the participants who have made contributions to the Company and its subsidiaries and associates, including the CFSG and its subsidiaries; or
  - attract potential candidates to serve the Group for the benefit of the development of the Group.
- (ii) The participants include any employees (whether full time or part time), executives and officers (including executive and non-executive directors) and business consultants, agents and legal and financial advisers of the Group.
- (iii) The maximum number of shares in respect of which options might be granted under the CFSG Share Option Scheme must not exceed 10% of the issued share capital of CFSG as at the date of approval of the CFSG Share Option Scheme and such limit might be refreshed by shareholders in general meeting.
- (iv) The total number of shares available for issue under the CFSG Share Option Scheme was 26,117,477 (2024: 26,117,477) shares, representing around 6% (2024: 6%) of the issued share capital of CFSG as at the date of this annual report.
- (v) The maximum number of CFSG shares in respect of which options might be granted to a participant, when aggregated with CFSG shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the CFSG Share Option Scheme or any other CFSG share option scheme within any 12-months period, must not exceed 1% of the CFSG shares in issue from time to time.
- (vi) There is no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of CFSG ("CFSG Board") and provided in the offer of grant of option.
- (vii) The exercise period should be any period fixed by the CFSG Board upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant. All the terms, including the vesting period, if any, of the grant shall be determined by the CFSG Board.
- (viii) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee to the CFSG.
- (ix) The exercise price of an option must be the highest of:
  - the closing price of the CFSG shares on the date of grant which day must be a trading day;
  - the average closing price of the CFSG shares for the 5 trading days immediately preceding the date of grant; and
  - the nominal value of the CFSG share.
- (x) The life of the CFSG Share Option Scheme is effective for 10 years from the date of adoption until 7 June 2028.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing CFSG's ordinary shares.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 40. SHARE OPTION SCHEME (continued)

### (B) Share option scheme of the CFSG (continued)

The following table discloses movements in CFSG's share option scheme from acquisition date till 31 December 2025:

| Names                              | Date of grant | Exercise period         | Adjusted exercise price<br>HK\$ | Note | Number of options ('000) |                         |                           |                        |  |                        |
|------------------------------------|---------------|-------------------------|---------------------------------|------|--------------------------|-------------------------|---------------------------|------------------------|--|------------------------|
|                                    |               |                         |                                 |      | As at 1 January 2025     | Granted during the year | Exercised during the year | Lapsed during the year | Reallocated upon change of directorate | As at 31 December 2025 |
| Directors                          | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | (a)  | -                        | 14,000                  | -                         | -                      | -                                      | 14,000                 |
| Employee Participants              | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | (a)  | -                        | 3,000                   | -                         | -                      | -                                      | 3,000                  |
|                                    | 14/07/2025    | 14/07/2025 – 13/07/2027 | 0.440                           | (b)  | -                        | 9,000                   | -                         | -                      | -                                      | 9,000                  |
|                                    | 29/07/2025    | 01/08/2025 – 31/07/2027 | 0.572                           | (a)  | 525                      | -                       | -                         | (525)                  | -                                      | -                      |
|                                    |               |                         |                                 |      | 525                      | 26,000                  | -                         | (525)                  | -                                      | 26,000                 |
| Exercisable as at 31 December 2025 |               |                         |                                 |      |                          |                         |                           |                        |  | 17,000                 |

| Names                              | Date of grant | Exercise period         | Adjusted exercise price<br>HK\$ | Note | Number of options ('000) |                         |                           |                        |  |                        |
|------------------------------------|---------------|-------------------------|---------------------------------|------|--------------------------|-------------------------|---------------------------|------------------------|--|------------------------|
|                                    |               |                         |                                 |      | As at 1 January 2024     | Granted during the year | Exercised during the year | Lapsed during the year | Reallocated upon change of directorate | As at 31 December 2024 |
| Directors                          | 29/07/2021    | 01/08/2021 – 31/07/2023 | 0.572                           | (a)  | 300                      | -                       | -                         | (300)                  | -                                      | -                      |
| Employee Participants              | 29/07/2021    | 01/08/2021 – 31/07/2025 | 0.572                           | (a)  | 1,200                    | -                       | -                         | 675                    | -                                      | 525                    |
|                                    |               |                         |                                 |      | 1,500                    | -                       | -                         | (975)                  | -                                      | 525                    |
| Exercisable as at 31 December 2024 |               |                         |                                 |      |                          |                         |                           |                        |  | -                      |

Note:

- (a) During the year ended 31 December 2021, a total of 24,750,000 options were granted to directors, employees and individuals providing services similar to employees of CFSG and the granting of the options are subject to the achievement of certain targets during the financial years ended 31 December 2021 to 2024 and 2025. During the year ended 31 December 2025, 525,000 options (2024: 975,000 options) lapsed before vesting as the relevant employees resigned from CFSG or lapsed upon expiry. At 31 December 2024, there was no satisfactory delivery of services to CFSG and thus no share-based compensation expense was recognised in the consolidated financial statements. At 31 December 2025, there is no vesting period in respect of the options granted to directors of CFSG and director of CFSG's subsidiary as the Remuneration Committee is (i) of the view that they serve as recognition of the past contributions to the CFSG's business and (ii) is in line with the overall purpose of attracting, motivating and retaining core talents. There is no performance target respect of the options granted to CFSG directors. The number of options granted is based on (i) the past performance and the potential of the CFSG directors; (ii) their experiences in the CFSG's business; and (iii) their contributions to the business development of CFSG.
- (b) The vesting period of the options shall be 12 months from the date of grant (both days inclusive). These options shall be vested on the day of fulfillment of the performance target (the "Performance Target") by the relevant grantees to be appraised and confirmed by the CFSG board. The Performance Target is subject to (a) satisfaction of performance targets to be determined by the CFSG board with reference to, including but not limited to, the budget achievement of the CFSG Group as a whole, the individual performance appraisal of the grantees; and other key performance indicators as determined by the CFSG board; or (b) at the CFSG board's sole discretion.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 40. SHARE OPTION SCHEME (continued)

### (B) Share option scheme of the CFSG (continued)

The CFSG shares options outstanding at 31 December 2025 had a weighted average remaining contractual life of 2 years (2024: 4 years).

During the year ended 31 December 2025, CFSG options were granted on 14 July 2025. The estimated fair values of the CFSG options granted to director are HK\$0.20. The closing price immediately before the date of grant was HK\$0.455.

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

|                              |        |
|------------------------------|--------|
| Weighted average share price | 0.44   |
| Exercise price               | 0.44   |
| Expected volatility          | 81.60% |
| Risk-free rate               | 1.97%  |

Expected volatility was determined by using the historical volatility of CFSG's share price over 2 years.

CFSG recognised the total expense of HK\$3,400,000 (2024: nil) for the year ended 31 December 2025 in relation to units and shares granted.

## 41. SHARE AWARD SCHEME

CFSG has adopted a share award scheme on 1 December 2022 (the "Share Award Scheme"). The Share Award Scheme, which is funded by the existing shares of CFSG, does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of CFSG.

The major terms of the Share Award Scheme are summarised as follows:

- (i) The purpose and objectives of the Share Award Scheme are:
  - to recognise and motivate the contributions by certain eligible participants and to give incentives thereto in order to retain them for the continual operation and development of any member of the Group;
  - to attract suitable professional personnel beneficial for further growth of any member of the Group; and
  - to provide certain eligible participants with a direct economic interest in attaining a long-term relationship between any member of the Group and such eligible participants.
- (ii) The Share Award Scheme shall be subject to the administration of the CFSG Board. The CFSG Board may appoint any one or more senior management of CFSG as authorised representative(s) to give instructions or notices to the trustee on all matters in connection with the Share Award Scheme and other matters in the routine administration of the trust. The trustee will hold the CFSG shares and the income derived therefrom in accordance with the rules of the Share Award Scheme and subject to the terms of the trust deed.
- (iii) The eligible participants include any employees (whether full time or part time) of any member of the Group; any non-executive director of any member of the Group; any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group; any agent, contractor, client or supplier of any member of the Group; and any other group or classes of participants who, in the sole opinion of the CFSG Board, will contribute or have contributed to any member of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 41. SHARE AWARD SCHEME (continued)

- (iv) The CFSG Board shall not make any further grant of award of CFSG shares under the Share Award Scheme such that the total number of CFSG shares granted under the Share Award Scheme (excluding any awards which have lapsed or been cancelled in accordance with the Share Award Scheme) will exceed 10% of the total number of issued CFSG shares as of the Adoption Date, i.e. 26,117,477 CFSG shares.

There is no maximum entitlement of each participant.

If the relevant purchase would result in the trustee holding in aggregate more than 10% of the total number of issued CFSG shares as of the Adoption Date, the trustee shall not purchase any further CFSG shares.

- (v) A selected participant shall be entitled to receive the awarded CFSG shares held by the trustee in accordance with the vesting schedule when the selected participant has satisfied all vesting conditions specified by the CFSG Board at the time of making the award. Vesting of the CFSG shares will be conditional on the selected participant remaining an eligible participant until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the trustee.
- (vi) The CFSG Board or the authorised representative(s) shall notify the selected participant in writing within 10 business days (or such other day as the CFSG Board may otherwise determine) after an award has been provisionally made to such selected participant and the notice shall contain substantially the same information as that set out in the award notice. An award shall be deemed to be irrevocably accepted by a selected participant unless the selected participant shall within 5 business days after receipt of such notice from the CFSG Board or the authorised representative(s) notify CFSG in writing that he would decline to accept such award.
- (vi) No amount payable on acceptance of the share award.
- (vii) Subject to any early termination as may be determined by the CFSG Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date and shall expire on 1 December 2032.
- (viii) The trustee shall not exercise the voting rights in respect of any CFSG shares held under the trust (including but not limited to the awarded shares, further CFSG Shares acquired out of the income derived therefrom, the returned shares, any bonus shares and scrip shares).

During the year ended 31 December 2024, 11,286,000 shares were purchased in May 2024 at a price of HK\$0.2394 and 6,996,000 shares were purchased at a price of HK\$0.2435 in June 2024 by the trustee.

During the year ended 31 December 2025, 18,282,000 shares (2024: nil) were granted under the Share Award Scheme. The closing price of the shares at relevant grant dates were HK\$0.375 and HK\$0.395. The CFSG Board has approved the grant of the shares and the vesting date to be the same as the date of grant. As at 31 December 2025, no shares (2024: 18,282,000) were held by the trustee.

The Group recognised the total expense of HK\$6,982,000 (2024: HK\$ nil) for the year ended 31 December 2025 in relation to shares granted.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 42. RETIREMENT BENEFITS SCHEMES

### Defined contribution plan

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Both the Group and the employees contribute a fixed percentage of the relevant payroll to the MPF Scheme. The cap of the mandatory contribution amount was HK\$1,500 per employee per month. Where there are employees who leave the Group prior to vesting fully in the voluntary contributions, the contributions payable by the Group are reduced by the amount of forfeited voluntary contributions. None of the forfeited contributions was utilised in this manner for the year ended 31 December 2025 and 2024.

### Defined benefit plan

The Group operates various benefits schemes for its full-time employees in the PRC in accordance with the relevant PRC regulations and rules, including provision of housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance. Pursuant to the existing schemes, the Group contributes 7%, 12%, 22%, 2%, 0.5% and 0.5% of the basic salary of its employees to the housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury and pregnancy insurance respectively.

The employer's contributions to the MPF Scheme and various benefits schemes in the PRC are disclosed separately in notes 8.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment)  $\times$  2/3  $\times$  Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment & Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment will come into effect prospectively from a date to be determined by the Hong Kong SAR Government, which is expected to be in 2025 (the "Transition Date"). Under the amended Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date.

The Group's LSP obligation, taking into consideration of the abolition of MPF-LSP Offsetting Arrangement, is considered to be insignificant and provision has been recognised as at 31 December 2025 and 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 43. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group entered into the following transactions with related parties:

|  | Note | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|--|------|------------------|------------------|
| Interest expense to a related party                                      |      | <b>5,202</b>     | 7,796            |
| Commission income received from:   |      |                  |                  |
| Dr Kwan Pak Hoo Bankee   |      | <b>15</b>        | 3                |
| Mr Kwan Teng Hin Jeffrey   |      | <b>1</b>         | 1                |
| Mr Law Hin Ong Trevor  | (a)  | <b>-</b>         | 5                |
|  |      | <b>16</b>        | 9                |
| Interest expense payable to a company owned by<br>Dr Kwan Pak Hoo Bankee |      | -                | 103              |
| Interest income from Mr Cheung Tsz Yui Morton                            |      | <b>40</b>        | 66               |
| Loan receivable from Mr Cheung Tsz Yui Morton                            |      | -                | 1,950            |
| Loans receivable from senior management personnel                        |      | <b>312</b>       | 624              |

Note:

(a) Mr Law Hin Ong Trevor resigned as director of CFSG during the year ended 31 December 2024.

### Compensation of key management personnel

The remuneration of directors of the Company and chief executive which is disclosed in note 12 is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

|  | <b>Convertible<br/>bonds</b> | <b>Borrowings</b>     | <b>Lease<br/>liabilities</b> | <b>Financial<br/>liabilities<br/>arising from<br/>consolidated<br/>investment<br/>funds</b> | <b>Total</b> |
|--|------------------------------|-----------------------|------------------------------|---|--------------|
|  | HK\$'000<br>(note 35)        | HK\$'000<br>(note 34) | HK\$'000<br>(note 33)        | HK\$'000  | HK\$'000     |
| At 1 January 2024  | –                            | 339,612               | 124,543                      | 122   | 464,277      |
| Financing cash flows (Note)  | –                            | (97,295)              | (99,232)                     | 1,426   | (195,101)    |
| New lease entered  | –                            | –                     | 42,744                       | –   | 42,744       |
| Interest expense   | –                            | 16,913                | 4,347                        | –   | 21,260       |
| Net gain on financial liabilities arising from consolidated investment funds | –                            | –                     | –                            | (33)  | (33)         |
| At 31 December 2024  | –                            | 259,230               | 72,402                       | 1,515   | 333,147      |
| Financing cash flows (Note)  | 39,250                       | (32,469)              | (77,366)                     | 19,987  | (50,598)     |
| Transfer to conversion option reserve  | (11,228)                     | –                     | –                            | –   | (11,228)     |
| New lease entered  | –                            | –                     | 51,594                       | –   | 51,594       |
| Interest expense   | 2,287                        | 12,241                | 2,896                        | –   | 17,424       |
| Net gain on financial liabilities arising from consolidated investment funds | –                            | –                     | –                            | (2,362)   | (2,362)      |
| Deconsolidation  | –                            | –                     | –                            | (19,140)  | (19,140)     |
| At 31 December 2025  | 30,309                       | 239,002               | 49,526                       | –   | 318,837      |

Note: The financing cash flows include the drawdown of borrowings, repayments of borrowings, repayment of lease liabilities, proceeds of issuance from convertible bonds, contribution from third party investors to consolidated investment funds, redemption to third party investors of consolidated investment funds and related interest paid.

## 45. MAJOR NON-CASH TRANSACTIONS

In addition, the Group entered into new lease contracts and modified certain lease contracts for the use of retail stores for 1 to 3 years (2024: 1 to 4 years). On the lease commencement/modification date, the Group recognised in aggregate of HK\$54,841,000 (2024: HK\$44,783,000) of right-of-use assets and HK\$51,594,000 (2024: HK\$42,744,000) of lease liabilities during the year ended 31 December 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

| Name                                    | Place of incorporation/<br>operation | Issued ordinary<br>share capital/<br>registered capital | Proportion of equity<br>attributable to the Company |           | Principal activities                                    |
|---|--------------------------------------|---|---|-----------|---|
|   |                                      |   | 2025<br>%   | 2024<br>% |   |
| <b>CASH</b>                             |                                      |   |   |           |   |
| Pricerite Home Limited                  | Hong Kong                            | Ordinary<br>HK\$201,170,000                             | <b>99.01</b>  | 99.01     | Retailing of furniture and household goods              |
| Pricerite Electrical Appliances Limited | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>99.01</b>  | 99.01     | Retailing of electrical appliances                      |
| Pricerite Marketing Limited             | Hong Kong                            | Ordinary<br>HK\$2                                       | <b>99.01</b>  | 99.01     | Provision of management services to a fellow subsidiary |
| Pricerite Pet Necessities Limited       | Hong Kong                            | Ordinary<br>HK\$10,000                                  | <b>80.2</b>   | 80.2      | Online retailing of pet supplies                        |
| Cashflow Credit Limited                 | Hong Kong                            | Ordinary<br>HK\$27,242,299                              | <b>100.00</b>                                       | 100.00    | Investment holding                                      |
| Pricerite.com.hk Limited                | Hong Kong                            | Ordinary<br>HK\$2                                       | <b>99.01</b>  | 99.01     | Online retail of furniture household goods and foods    |
| Pricerite Food Limited                  | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>99.01</b>  | 99.01     | Retail of food & beverage                               |
| TMF Company Limited                     | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>99.01</b>  | 99.01     | Retailing of tailor-made furniture                      |
| Creations Design Limited                | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>99.01</b>  | N/A       | Furniture and home furnishing                           |
| Creations Contractor Limited            | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>99.01</b>  | N/A       | Furniture and home furnishing                           |
| Celestial Investments (HK) Limited      | Hong Kong                            | Ordinary<br>HK\$10,000,000                              | <b>100</b>  | 100       | Money lending   |
| CASH Algo Finance Group Limited         | Hong Kong                            | Ordinary<br>HK\$4,000,000                               | <b>100</b>  | 100       | Investment trading                                      |
| CASH Talent Investment Limited          | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>100</b>  | 100       | Investment trading                                      |
| CASH Frontier Investment Limited        | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>100</b>  | 100       | Investment trading                                      |
| CASH Retail Management (HK) Limited     | British Virgin Islands               | Ordinary<br>HK\$35,000,000                              | <b>99.01</b>  | 99.01     | Investment holding                                      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

| Name  | Place of incorporation/<br>operation | Issued ordinary<br>share capital/<br>registered capital | Proportion of equity<br>attributable to the Company |           | Principal activities  |
|---|--------------------------------------|---|---|-----------|---|
|   |                                      |   | 2025<br>%   | 2024<br>% |   |
| <b>CASH (continued)</b>                                     |                                      |   |   |           |   |
| Celestial Investment Group Limited                          | British Virgin Islands               | Ordinary<br>US\$10,000                                  | <b>100</b>  | 100       | Investment holding  |
| Moli Mobile Digital Entertainment Holdings Limited ("MMDE") | British Virgin Islands               | Ordinary<br>US\$10,000                                  | <b>89.70</b>  | 89.70     | Investment holding  |
| CFSG  | Bermuda/<br>Hong Kong                | Ordinary<br>HK\$17,246,991                              | <b>64.47</b>  | 64.47     | Investment holding  |
| <b>Subsidiaries of CFSG</b>                                 |                                      |   |   |           |   |
| CASH Asset Management Limited                               | Hong Kong                            | Ordinary<br>HK\$10,000,000                              | <b>64.47</b>  | 64.47     | Provision of asset management services  |
| CASH Wealth Management Limited                              | Hong Kong                            | Ordinary<br>HK\$23,000,000                              | <b>64.47</b>  | 64.47     | Financial advisory consultancy  |
| CASH Payment Services Limited                               | Hong Kong                            | Ordinary<br>HK\$2                                       | <b>64.47</b>  | 64.47     | Provision of payment gateway services   |
| Celestial Asset Management Limited                          | Hong Kong                            | Ordinary<br>HK\$6,781,401                               | <b>64.47</b>  | 64.47     | Provision of treasury management functions and investment holding and trading |
| Celestial Capital Limited                                   | Hong Kong                            | Ordinary<br>HK\$30,000,000                              | <b>64.47</b>  | 64.47     | Inactive  |
| Celestial Finance Limited                                   | Hong Kong                            | Ordinary<br>HK\$121,000,002                             | <b>64.47</b>  | 64.47     | Money lending   |
| Celestial Commodities Limited                               | Hong Kong                            | Ordinary<br>HK\$60,000,000                              | <b>64.47</b>  | 64.47     | Brokerage of futures and options  |
| Celestial Securities Limited                                | Hong Kong                            | Ordinary<br>HK\$190,000,000                             | <b>64.47</b>  | 64.47     | Brokerage of securities and equity options                                    |
| CASH Trinity Bullion Limited                                | Hong Kong                            | Ordinary<br>HK\$2                                       | <b>64.47</b>  | 64.47     | Investment holding and trading  |
| CASH Family Office Company Limited                          | Hong Kong                            | Ordinary<br>HK\$100                                     | <b>64.47</b>  | 64.47     | Investment holding and trading  |
| Victory Glory Investments Limited                           | Hong Kong                            | Ordinary<br>HK\$1                                       | <b>64.47</b>  | 64.47     | Investment trading  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

| Name  | Place of incorporation/<br>operation | Issued ordinary<br>share capital/<br>registered capital | Proportion of equity<br>attributable to the Company |           | Principal activities                                 |
|---|--------------------------------------|---|---|-----------|--|
|   |                                      |   | 2025<br>%   | 2024<br>% |  |
| <b>Subsidiaries of CFSG<br/>(continued)</b>   |                                      |   |   |           |  |
| Think Right Investments Limited   | British Virgin Islands               | Ordinary US\$1  | <b>64.47</b>  | 64.47     | Properties holding                                   |
| Celestial Financial Services Limited  | British Virgin Islands               | Ordinary US\$10,000                                     | <b>64.47</b>  | 64.47     | Investment holding                                   |
| CASH Mobile Financial Services Limited  | Hong Kong                            | Ordinary HK\$10,000,000                                 | <b>64.47</b>  | 64.47     | Provision of management services for group companies |
| Celestial (China) Asset Management Limited  | British Virgin Islands               | Ordinary US\$500,000                                    | <b>64.47</b>  | 64.47     | Investment holding                                   |
| Weever FinTech Limited  | Hong Kong                            | Ordinary HK\$48,500,000                                 | <b>67.97</b>  | 67.97     | Inactive   |
| CFSG China Investment Limited   | British Virgin Islands               | Ordinary US\$1  | <b>64.47</b>  | 64.47     | Investment holding                                   |
| Golden Riverside Industrial Limited   | Hong Kong                            | Ordinary HK\$102  | <b>64.47</b>  | 64.47     | Investment holding                                   |
| CFSG FinTech Group Limited  | British Virgin Islands               | Ordinary US\$1  | <b>64.47</b>  | 64.47     | Investment holding                                   |
| Libra Capital Manager Limited   | British Virgin Islands               | Ordinary US\$3  | <b>64.47</b>  | 64.47     | Investment holding                                   |
| 上海懿睿股權投資基金管理<br>有限公司 (translated as<br>Shanghai Yirui Equity<br>Investment Fund<br>Management Company<br>Limited) ("Shanghai Yirui")* | PRC                                  | Ordinary RMB10,000,000                                  | <b>64.47</b>  | 64.47     | Investment holding                                   |
| CASH Prime Value Equity OFC <sup>^</sup>  | Hong Kong                            | N/A   | –   | 64.47     | Investment holding                                   |
| CASH Quant-Finance Lab Limited  | Hong Kong                            | Ordinary HK\$1  | <b>81.88</b>  | 81.88     | Investment trading                                   |
| 上海群博資產管理有限公司*   | PRC                                  | Registered capital RMB20,000,000                        | <b>81.88</b>  | 81.88     | Provision of asset management services               |
| 群博多策略對沖私募<br>證券投資基金 <sup>#</sup>  | PRC                                  | Paid up capital 13,685,961 units                        | <b>81.88</b>  | 81.72     | Fund investment                                      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

\* These subsidiaries are a limited liability companies established in the PRC. They are indirectly held by the Company through contractual arrangements by the registered owners, being Ms Wei Li (holder of 95% of the equity interests) and Ms Mao Jie (holder of 5% of the equity interests).

^ During the year ended 2024, the directors of the Company concluded that the variable returns the Group exposed to are significant, the Group is primarily acting as a principal and not subject to substantive removal rights held by other parties who may remove the Group as an investment manager. Therefore, the Group consolidated this investment fund. However, during current year, given change of the interest held by the Group, the directors re-assessed and concluded to de-consolidate this investment fund.

# It is a consolidated structured entity under the Group.

All the subsidiaries shown above are indirectly held by the Company. In the opinion of the directors of the Company, a complete list of the particulars of subsidiaries will be of excessive length and therefore the above list contains only the particulars of those subsidiaries which principally affect the results or net assets of the Group.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. Majority of these subsidiaries operate in Hong Kong and are investment holding or inactive companies.

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

| Name of subsidiaries  | Place of incorporation/<br>Principal place of business | Proportion of ownership interests and voting rights held by non-controlling interests |        | Loss allocated to non-controlling interests |                | Accumulated non-controlling interests |               |
|---|--|---|--------|---|----------------|---------------------------------------|---------------|
|   |  | 2025  | 2024   | 2025  | 2024           | 2025                                  | 2024          |
|   |  |   |        | HK\$'000                                    | HK\$'000       | HK\$'000                              | HK\$'000      |
| CFSG  | Bermuda/Hong Kong                                      | 35.53%  | 35.53% | (18,319)                                    | (5,112)        | 74,594                                | 86,936        |
| MMDE  | British Virgin Islands                                 | 10.30%  | 10.30% | -   | -              | (40,045)                              | (40,045)      |
| Individual immaterial subsidiaries with non-controlling interests |  |   |        | (209)                                       | (404)          | 399                                   | 608           |
|   |  |   |        | <b>(18,528)</b>                             | <b>(5,516)</b> | <b>34,948</b>                         | <b>47,499</b> |

Summarised consolidated financial information in respect of each Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

### CFSG and subsidiaries

|   | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
|---|------------------|------------------|
| Non-current assets  | 22,952           | 29,810           |
| Current assets  | 698,616          | 684,115          |
| Non-current liabilities   | (37,182)         | (34,685)         |
| Current liabilities   | (496,118)        | (462,170)        |
| Net assets of CFSG  | 188,268          | 217,070          |
| Equity attributable to owners of the Company                      | 180,220          | 208,126          |
| Non-controlling interests of CFSG                                 | 8,048            | 8,944            |
|   | 188,268          | 217,070          |
| Revenue   | 67,255           | 50,768           |
| Expenses  | (109,165)        | (80,497)         |
| Loss for the year   | (41,910)         | (29,729)         |
| Loss for the year attributable to                                 |                  |                  |
| – the owners of the Company                                       | (38,528)         | (35,102)         |
| – non-controlling interests of CFSG                               | (3,382)          | 5,373            |
| Loss for the year   | (41,910)         | (29,729)         |
| Other comprehensive income (expense) for the year attributable to |                  |                  |
| – the owners of the Company                                       | 1,586            | (4,909)          |
| – non-controlling interests of CFSG                               | 1,140            | 246              |
| Other comprehensive income (expense) for the year                 | 2,726            | (4,663)          |
| Total comprehensive expense for the year attributable to          |                  |                  |
| – owners of the Company   | (36,942)         | (40,011)         |
| – non-controlling interests of CFSG                               | (2,242)          | 5,619            |
| Total comprehensive expense for the year                          | (39,184)         | (34,392)         |
| Net cash (outflow) inflow from operating activities               | (3,885)          | 12,394           |
| Net cash inflow from investing activities                         | 3,591            | 16,496           |
| Net cash outflow from financing activities                        | (13,974)         | (94,111)         |
| Net cash outflow  | (14,268)         | (65,221)         |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

### MMDE

|  | <b>2025</b>      | 2024      |
|--|------------------|-----------|
|  | <b>HK\$'000</b>  | HK\$'000  |
| Non-current assets                                       | <b>5,859</b>     | 5,859     |
| Current assets   | <b>1,326</b>     | 1,326     |
| Current liabilities                                      | <b>(406,563)</b> | (406,561) |
|  | <b>(399,378)</b> | (399,376) |
| Equity attributable to owners of the Company             | <b>(359,333)</b> | (359,331) |
| Non-controlling interests of MMDE                        | <b>(40,045)</b>  | (40,045)  |
|  | <b>(399,378)</b> | (399,376) |
| Expenses   | <b>(2)</b>       | (58)      |
| Loss for the year  | <b>(2)</b>       | (58)      |
| Loss for the year attributable to                        |                  |           |
| – the owners of the Company                              | <b>(2)</b>       | (58)      |
| – non-controlling interests of MMDE                      | –                | –         |
| Loss for the year  | <b>(2)</b>       | (58)      |
| Other comprehensive income for the year attributable to  |                  |           |
| – the owners of the Company                              | –                | –         |
| – non-controlling interests of MMDE                      | –                | –         |
| Other comprehensive income for the year                  | –                | –         |
| Total comprehensive expense for the year attributable to |                  |           |
| – the owners of the Company                              | <b>(2)</b>       | (58)      |
| – non-controlling interests of MMDE                      | –                | –         |
| Total comprehensive expense for the year                 | <b>(2)</b>       | (58)      |
| Net cash outflow from operating activities               | <b>(2)</b>       | (58)      |
| Net cash inflow from financing activities                | –                | –         |
| Net cash outflow   | <b>(2)</b>       | (58)      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

|                               | <b>2025</b>     | 2024     |
|-------------------------------|-----------------|----------|
|                               | <b>HK\$'000</b> | HK\$'000 |
| Non-current asset             |                 |          |
| Amounts due from subsidiaries | <b>213,827</b>  | 210,174  |
| Current assets                |                 |          |
| Other receivables             | <b>192</b>      | 207      |
| Bank balance and cash         | <b>196</b>      | 240      |
|                               | <b>388</b>      | 447      |
| Current liabilities           |                 |          |
| Other payables and accruals   | <b>588</b>      | 607      |
| Amounts due to subsidiaries   | <b>88,746</b>   | 88,746   |
|                               | <b>89,334</b>   | 89,353   |
| Net current liabilities       | <b>(88,946)</b> | (88,906) |
| Non-current liabilities       |                 |          |
| Borrowings                    | <b>60,000</b>   | 59,000   |
| Convertible bonds             | <b>30,309</b>   | –        |
| Net assets                    | <b>34,572</b>   | 62,268   |
| Capital and reserves          |                 |          |
| Share capital                 | <b>16,140</b>   | 16,144   |
| Reserves                      | <b>18,432</b>   | 46,124   |
| Total equity                  | <b>34,572</b>   | 62,268   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

### Reserves of the Company:

|  | <b>Share<br/>premium</b><br>HK\$'000 | <b>Contributed<br/>surplus</b><br>HK\$'000 | <b>Conversion<br/>option<br/>reserve</b><br>HK\$'000 | <b>Accumulated<br/>losses</b><br>HK\$'000 | <b>Total</b><br>HK\$'000 |
|--|--------------------------------------|--|--|---|--------------------------|
| At 1 January 2024                                    | 4,127                                | 149,719                                    | –  | (19,911)                                  | 133,935                  |
| Loss and total comprehensive<br>expense for the year | –                                    | –  | –  | (87,811)                                  | (87,811)                 |
| At 31 December 2024                                  | 4,127                                | 149,719                                    | –  | (107,722)                                 | 46,124                   |
| Loss and total comprehensive<br>expense for the year | –                                    | –  | –  | (38,910)                                  | (38,910)                 |
| Share repurchases and cancels<br>during the year     | (10)                                 | –  | –  | –   | (10)                     |
| Issuance of convertible bonds                        | –                                    | –  | 11,228   | –   | 11,228                   |
| At 31 December 2025                                  | 4,117                                | 149,719                                    | 11,228   | (146,632)                                 | 18,432                   |

# FIVE YEAR FINANCIAL SUMMARY

The summary of the consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements as appropriate, is set out below:

|                             | <b>Year ended 31 December</b>  |                  |                  |                  |                  |
|-----------------------------|--------------------------------|------------------|------------------|------------------|------------------|
|                             | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
| <b>RESULTS</b>              |                                |                  |                  |                  |                  |
| Revenue                     | <b>767,443</b>                 | 883,657          | 1,016,423        | 1,210,887        | 1,368,066        |
| Loss before taxation        | <b>(67,653)</b>                | (65,596)         | (138,669)        | (44,735)         | (39,841)         |
| Income tax (expense) credit | <b>(3,637)</b>                 | 1,814            | (4,256)          | 9,486            | (3,426)          |
| Loss for the year           | <b>(71,290)</b>                | (63,782)         | (142,925)        | (35,249)         | (43,267)         |
| Attributable to:            |                                |                  |                  |                  |                  |
| Owners of the Company       | <b>(52,762)</b>                | (58,266)         | (108,009)        | (33,641)         | (43,050)         |
| Non-controlling interests   | <b>(18,528)</b>                | (5,516)          | (34,916)         | (1,608)          | (217)            |
|                             | <b>(71,290)</b>                | (63,782)         | (142,925)        | (35,249)         | (43,267)         |

# FIVE YEAR FINANCIAL SUMMARY (CONTINUED)

|  | As at 31 December |                  |                  |                  |                  |
|--|-------------------|------------------|------------------|------------------|------------------|
|  | 2025<br>HK\$'000  | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2022<br>HK\$'000 | 2021<br>HK\$'000 |
| <b>ASSETS AND LIABILITIES</b>                    |                   |                  |                  |                  |                  |
| Property and equipment                           | <b>10,821</b>     | 18,772           | 29,083           | 40,495           | 27,364           |
| Right-of-use assets                              | <b>47,809</b>     | 68,494           | 113,384          | 193,590          | 187,060          |
| Goodwill   | <b>39,443</b>     | 39,443           | 39,443           | 39,443           | 39,443           |
| Interests in associates                          | –                 | –                | –                | –                | 183,535          |
| Intangible assets                                | <b>47,501</b>     | 47,501           | 47,501           | 52,552           | 43,460           |
| Other non-current assets                         | <b>25,409</b>     | 29,928           | 56,928           | 65,823           | 28,571           |
| Current assets                                   | <b>870,789</b>    | 827,539          | 1,031,318        | 1,394,639        | 502,530          |
| Total assets                                     | <b>1,041,772</b>  | 1,031,677        | 1,317,657        | 1,786,542        | 1,011,963        |
| Current liabilities                              | <b>850,080</b>    | 813,786          | 1,077,809        | 1,420,382        | 681,157          |
| Long term borrowings                             | <b>82,507</b>     | 84,103           | –                | –                | 40,175           |
| Long term lease liabilities                      | <b>15,084</b>     | 26,547           | 59,757           | 68,061           | 81,112           |
| Other non-current liabilities                    | <b>14,630</b>     | 11,111           | 11,111           | 6,825            | 6,825            |
| Convertible bonds                                | <b>30,309</b>     | –                | –                | –                | –                |
| Total liabilities                                | <b>992,610</b>    | 935,547          | 1,148,677        | 1,495,268        | 809,269          |
| Net assets                                       | <b>49,162</b>     | 96,130           | 168,980          | 291,274          | 202,694          |
| Equity attributable to the owners of the Company | <b>14,214</b>     | 53,036           | 115,965          | 196,094          | 240,640          |
| Non-controlling interests                        | <b>34,948</b>     | 43,094           | 53,015           | 95,180           | (37,946)         |
|  | <b>49,162</b>     | 96,130           | 168,980          | 291,274          | 202,694          |

# DEFINITIONS

In this annual report, the following expressions have the following meanings unless the context requires otherwise:

|                            |   |
|----------------------------|---|
| “AGM(s)”                   | the annual general meeting(s) of the Company  |
| “Audit Committee”          | the audit committee of the Company established pursuant to the CG Code of the Listing Rules   |
| “Board”                    | the board of Directors  |
| “CAFG” or “CAFG Group”     | CASH Algo Finance Group International Limited, a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries, which are principally engaged in algorithmic trading business                                     |
| “Cash Guardian”            | Cash Guardian Limited, a company incorporated in the British Virgin Islands with limited liability, is the substantial Shareholder of the Company and an associate of Dr Kwan Pak Hoo Bankee  |
| “Celestial Securities”     | Celestial Securities Limited, a company incorporated in Hong Kong with limited liability, is a subsidiary of the Company via CFSG. It is a licensed corporation under the SFO which is engaged in type 1 (dealing in securities) regulated activity |
| “CEO”                      | the chief executive officer of the Company  |
| “CFO”                      | the chief financial officer of the Company  |
| “CFSG”                     | CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board. CFSG is a 64.78%-owned listed subsidiary of the Company                              |
| “CFSG Board”               | the board of directors of CFSG  |
| “CFSG Group”               | CFSG and its subsidiaries   |
| “CFSG Share Option Scheme” | the existing share option scheme of CFSG adopted by CFSG pursuant to an ordinary resolution passed at an annual general meeting of CFSG held on 8 June 2018   |
| “CFSG Share(s)”            | ordinary share(s) of HK\$0.04 each in the share capital of CFSG   |
| “CG Code”                  | the Corporate Governance Code as contained in the Listing Rules   |
| “CIGL”                     | Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, is a wholly-owned subsidiary of the Company  |
| “Company” or “CASH”        | Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board   |
| “Company Secretary”        | the company secretary of the Company  |
| “Directors”                | the directors of the Company  |
| “ED(s)”                    | the executive Director(s) of the Company  |
| “Group”                    | the Company and its subsidiaries  |
| “INED(s)”                  | the independent non-executive Director(s) of the Company  |

# DEFINITIONS

|                                  |   |
|----------------------------------|---|
| “Listing Rules”                  | The Rules Governing the Listing of Securities on the Stock Exchange   |
| “Main Board”                     | the main board of the Stock Exchange  |
| “Management”                     | the management team of the Company  |
| “Model Code”                     | the required standards of dealings regarding securities transactions by Directors or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules  |
| “Nomination Committee”           | the nomination committee of the Company established pursuant to the CG Code of the Listing Rules  |
| “Pricerite” or “Pricerite Group” | Pricerite Group Limited, a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries (including Pricerite Home Limited, TMF Company Limited, Pricerite Food Limited and Pricerite Pet Caring Limited), which mainly conduct the retail management business in Hong Kong under multi-brand names including “Pricerite Home”, “TMF”, “SECO”, “Pricerite Food” and “Pricerite Pet” |
| “Remuneration Committee”         | the remuneration committee of the Company established pursuant to the CG Code of the Listing Rules  |
| “SFC”                            | the Hong Kong Securities and Futures Commission   |
| “SFO”                            | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “SGM(s)”                         | the special general meeting(s) of the Company   |
| “Share(s)”                       | ordinary shares of HK\$0.20 each in the share capital of the Company  |
| “Share Option Scheme”            | the existing share option scheme of the Company adopted by the Company pursuant to an ordinary resolution passed at the SGM held on 30 September 2021   |
| “Shareholder(s)”                 | holder(s) of the Share(s)   |
| “Stock Exchange”                 | The Stock Exchange of Hong Kong Limited   |
| “HK\$”                           | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “RMB”                            | Renminbi, the lawful currency of the PRC  |
| “US\$” or “USD”                  | United States dollar(s), the lawful currency of the United States   |
| “Hong Kong” or “HKSAR”           | the Hong Kong Special Administrative Region of the PRC  |
| “PRC”                            | the People’s Republic of China  |
| “UK”                             | United Kingdom  |
| “US”                             | United States   |

*If there is any inconsistency in this report between the Chinese and English versions, the English version shall prevail.*

