



申萬宏源香港
SWHYHK

SHENWAN HONGYUAN (H.K.) LIMITED

申萬宏源（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 218)

2025

Annual Report



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Ms. Wu Meng (*Chairman*)
Mr. Tan Weijun (resigned on 22 September 2025)
Mr. Li Shouwei (appointed on 15 October 2025)
Mr. Liang Jun (*Chief Executive Officer*)
Mr. Hu Jing (*Chief Risk Officer*)
(resigned on 13 March 2026)

Non-executive Directors

Mr. Zhang Lei
Ms. Zhang Ying (appointed on 31 July 2025)

Independent Non-executive Directors

Mr. Kwok Lam Kwong Larry
Mr. Liu Chijin
Ms. Chiu Lai Kuen Susanna
(appointed on 11 April 2025)

AUDIT COMMITTEE

Ms. Chiu Lai Kuen Susanna
(appointed on 11 April 2025) (*Chairman*)
Mr. Kwok Lam Kwong Larry
Mr. Liu Chijin

REMUNERATION COMMITTEE

Mr. Kwok Lam Kwong Larry (*Chairman*)
Mr. Liu Chijin
Ms. Chiu Lai Kuen Susanna
(appointed on 11 April 2025)

NOMINATION COMMITTEE

Ms. Wu Meng (*Chairman*)
Mr. Kwok Lam Kwong Larry
Mr. Liu Chijin
Ms. Chiu Lai Kuen Susanna
(appointed on 11 April 2025)

RISK COMMITTEE

Ms. Chiu Lai Kuen Susanna
(appointed on 11 April 2025) (*Chairman*)
Mr. Tan Weijun (resigned on 22 September 2025)
Mr. Li Shouwei (appointed on 15 October 2025)
Mr. Liang Jun
Mr. Hu Jing (resigned on 13 March 2026)
Mr. Kwok Lam Kwong Larry
Mr. Liu Chijin

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Ms. Wu Meng (*Chairman*)
Mr. Liang Jun
Mr. Hu Jing (resigned on 13 March 2026)
Mr. Kwok Lam Kwong Larry
Mr. Liu Chijin
Ms. Chiu Lai Kuen Susanna
(appointed on 11 April 2025)

AUTHORISED REPRESENTATIVE

Mr. Liang Jun
Mr. Cheung Kai Cheong Willie
(resigned on 5 August 2025)
Ms. Lin Sio Ngo
(appointed on 5 August 2025)

COMPANY SECRETARY

Mr. Cheung Kai Cheong Willie
(resigned on 5 August 2025)
Ms. Lin Sio Ngo
(appointed on 5 August 2025)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Shanghai (Hong Kong) Limited
China CITIC Bank International Limited
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Co., Ltd., Hong Kong Branch
China Minsheng Banking Corp., Ltd.
Hong Kong Branch
China Zheshang Bank Co., Ltd.
(Hong Kong Branch)
Chong Hing Bank Limited
CMB Wing Lung Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial Bank Co., Ltd. Hong Kong Branch
Nanyang Commercial Bank, Limited
Shanghai Pudong Development Bank Co., Ltd.,
Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
Public Interest Entity Auditor registered
in accordance with the Financial Reporting Council Ordinance

REGISTERED OFFICE

Level 6, Three Pacific Place
1 Queen's Road East, Hong Kong

SHARE REGISTRAR & TRANSFER OFFICE

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

WEBSITE

<http://www.swwhyhk.com>

2025 MARKET REVIEW

In 2025, the global economy navigated challenges amid escalating trade protectionism and intensifying geopolitical conflicts. Although the U.S. gradually lowered the federal funds rate to signal monetary easing, the imposition of tariffs suppressed domestic demand, pushing up inflation while expanding fiscal deficits and debt risks, which constrained long-term growth potential. Europe alleviated inflationary pressures through intensive rate cuts in the early stage, but was hampered by weak external demand, volatile energy prices, and sluggish manufacturing recovery, resulting in insufficient economic growth momentum. At the same time, emerging markets and developing economies emerged as bright spots in global economic growth, driving the restructuring of the global economic landscape toward multipolarity and regionalization.

The Chinese Mainland economy withstood external pressures, achieving a 5.0% year-on-year GDP growth with a total volume exceeding RMB140 trillion for the first time, meeting the annual target. Fiscal and monetary policies worked in synergy to support technological innovation and industrial upgrading, promoting the cultivation of new productive forces. Despite uncertainties in exports, the Chinese Mainland recorded a 13.2% year-on-year increase in high-tech product exports driven by industrial structure optimization. Domestic demand gradually recovered under the “trade-in” program, with final consumption contributing over 50% to economic growth. However, the full-year CPI remained flat, indicating that the foundation for stabilizing domestic demand still needs consolidation. The RMB exchange rate strengthened overall throughout the year, breaking through the 7:1 threshold against the USD at the end of the year. Nevertheless, amid heightened global geopolitical risks, the RMB exhibited more pronounced two-way volatility.

The Chinese Mainland securities market performed impressively in 2025, with the Shanghai Composite Index, Shenzhen Component Index, and ChiNext Index rising by 18.41%, 29.87% and 49.57%, respectively. The ChiNext Index ranked among the top performers in major global markets, while the Shanghai Composite Index achieved its best annual performance in nearly six years. The IPO market remained active, with 116 companies completing their initial public offerings (IPOs) during the year, raising a total of RMB131.8 billion, representing a year-on-year growth of 16.0% and 95.6% compared to 2024, respectively.

The Hong Kong securities market demonstrated strong performance, with the Hang Seng Index surging 27.77% for the year, marking its best annual performance since 2017. Southbound capital inflows recorded a cumulative net purchases of HK\$1.4 trillion, a year-on-year increase of 73.9%, becoming a key pillar of market liquidity. In terms of IPOs, 114 companies¹ completing their IPOs during the year, raising a total of HK\$285.3 billion, with Hong Kong reclaiming the top spot globally in IPO fundraising. In this wave of listings, the “A+H” structure played a pivotal role, with 19 A-share companies completing H-share issuance, accounting for nearly half of the total annual IPO fundraising, highlighting the effective integration of the two capital markets.

The Chinese-funded USD bond market rebounded driven by the Federal Reserve's rate cuts and improved offshore financing conditions. Demand for investment-grade bonds remained stable, while high-yield bonds fluctuated with risk appetite. Green offshore bonds and industrial bonds emerged as new growth drivers, and debt restructuring of some real estate enterprises alleviated tail risks. With the expansion of the “Southbound Trading” mechanism, market liquidity and investor participation further increased, propelling the market into a recovery trajectory.

¹ This includes 1 introduction listing company, excluding 2 special purpose acquisition company mergers and acquisitions and 2 companies transferred from GEM to the Main Board.

FUTURE PLANS & PROSPECTS

Looking ahead to 2026, the global economy is expected to maintain a moderate recovery amid challenges such as geopolitical conflicts, trade protectionism, and policy divergence, but growth momentum may further slow down. The U.S. economy remains resilient, but the lagged effects of tariff policies and structural imbalances in the labor market have pushed up inflation stickiness. Coupled with political interference after the midterm elections, the interest rate cut path is full of uncertainties, putting pressure on market expectations and investment activities, and growth momentum will be affected. Structural problems within the Eurozone are prominent, and the economic recovery path is long and arduous. Emerging markets and developing economies will provide strong impetus for economic development through regional economic integration and improving and optimizing supply chain systems.

On the Chinese Mainland, the steady and improving economic trend is expected to continue. The strong export of high-tech products is expected to partially offset external pressures. Expanding domestic demand will be the focus of macroeconomic policies. The “two new” policies will pay more attention to quality improvement and efficiency enhancement, and gradually release the potential of service consumption. Infrastructure investment will maintain stable growth, and the manufacturing sector will continue to upgrade toward high value-added directions under policy support, accelerating the transformation of economic momentum. Price levels are expected to recover moderately, and the improvement of corporate profits and the growth of residents' income are expected to form a positive interaction, providing support for stable economic operation. The economic growth rate in 2026 is expected to remain around 5%.

In Hong Kong, supported by the recovery of the mainland economy, improved external liquidity, and the support of cross-border connectivity systems, the Hong Kong stock market is expected to gradually shift from the valuation recovery in 2025 to being driven by both earnings growth and liquidity improvement. The “Four Stabilizations” policies and structural reform measures in the first year of the mainland's “15th Five-Year Plan” will lay a solid foundation for the earnings recovery of enterprises listed in Hong Kong. The pace of Southbound capital inflows is expected to stabilize, the return of foreign capital is expected to accelerate, and the market liquidity structure will become more balanced. The deepening of the “A+H” framework will attract more high-quality mainland enterprises to list in Hong Kong, further enhancing market vitality. In 2026, Hong Kong stocks are expected to fluctuate upward amid structural opportunities.

CHAIRMAN'S STATEMENT *(Cont'd)*

In 2026, the Group will build on the first year of the “15th Five-Year Plan”, closely follow the trend of the reshaping of the global economic and financial landscape, seize the historical opportunities brought by RMB internationalization and the reform of the mainland capital market, steadily promote business development, and comprehensively enhance core competitiveness and integrated service capabilities. Relying on the advantages of its cross-border financial platform, the Group will focus on new productive forces areas such as fintech and green finance, actively expand business opportunities in countries (regions) along the “Belt and Road” and emerging markets, strengthen the synergistic linkage of various business segments, continuously optimize business structure and resource allocation, accelerate fintech empowerment and digital transformation, and comprehensively improve operational efficiency and client experience. While developing its business, the Group will always strictly adhere to the bottom line of compliance, improve the risk control system, continuously create value based on prudent operation, and achieve win-win development with shareholders and clients.

Wu Meng
Chairman

Hong Kong
26 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

In 2025, the Group proactively responded to the complex and volatile market environment, seized opportunities from the capital market rebound, accelerated business transformation and synergistic development, leveraged the linkage advantages of its international business platform, further expanded its business layout in countries (regions) along the “Belt and Road” and emerging markets, focused on core areas such as fintech, deepened the effectiveness of serving the real economy, and comprehensively enhanced cross-border integrated financial service capabilities. At the same time, the Group continued to improve its risk management and internal control systems, strengthened compliant operations and optimized resource allocation, steadily enhanced core competitiveness and sustainable development capabilities, and strived to create long-term value for shareholders and clients.

In 2025, the Group achieved leapfrog revenue growth, soaring from HK\$56 million in 2024 to HK\$660 million, representing a year-on-year increase of 1,080%. Profitability improved significantly, with profit attributable to shareholders reaching HK\$121 million, successfully turning around from a loss of HK\$161 million in the same period of 2024.

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Fee and commission income | 326,542 | 232,254 |
| Interest income | 211,098 | 238,950 |
| Income/(losses) from investment business | 122,209 | (415,307) |
| | 659,849 | 55,897 |

During the period under review, the Group's multiple business segments developed synergistically. Brokerage, sponsorship, and underwriting businesses achieved rapid growth, driving fee and commission income up by 41% to HK\$327 million. Affected by fluctuations in market interest rates, interest income decreased slightly by 12% to HK\$211 million. Investment business performance improved significantly, turning from a loss of HK\$415 million in 2024 to a profit of HK\$122 million in 2025, mainly due to the Group's continuous optimization of asset portfolios and strengthened risk management, which effectively reduced the impact of valuation volatility at the consolidated investment fund level on profits and losses.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF OPERATIONS (Cont'd)

Wealth Management Business

The wealth management business mainly provides a series of comprehensive financial services including securities, futures and options brokerage, the sales of financial products such as wealth management, over-the-counter, as well as securities margin financing to individual customers and non-professional institutional investors through a combination of online and offline methods.

| | 2025 HK\$'000 | 2024 HK\$'000 | % |
|---------------------------------|------------------|------------------|--------|
| Fee and commission income | 115,025 | 70,039 | 64% |
| Interest income | 175,320 | 196,078 | (11%) |
| – Loan to clients | 86,758 | 89,085 | (3%) |
| – Others | 88,562 | 106,993 | (17%) |
| Income from investment business | – | 10 | (100%) |
| | 290,345 | 266,127 | 9% |

In 2025, the Hong Kong financial market remained active. The Group seized market opportunities, promoted system upgrades, deepened business synergies, optimized product systems, actively expanded business areas, and strived to provide clients with more convenient and diversified wealth management services to help them achieve global asset allocation goals.

During the period under review, the revenue of the Group's wealth management business increased by 9% year-on-year. Driven by the market rebound, fee and commission income reached HK\$115 million, a year-on-year increase of approximately 64% compared to HK\$70.04 million in 2024. In terms of interest income, the total income was HK\$175 million, a decrease of 11% compared to the same period in 2024. Among this, the interest income from loan to clients totaled HK\$86.76 million, a slight decrease compared to same period in 2024, and other interest income totaled HK\$88.56 million, which decreased mainly due to the reduction in bank deposit rates.

During the reporting period, the Group continued to consolidate its core business advantages, deepened its fintech layout, completed upgrades to the trading information system and its self-developed eService electronic platform, further solidified the foundation of the wealth management business, and significantly improved client service efficiency. The Group became a distributor on the Hong Kong Stock Exchange's integrated fund platform, providing clients with a richer range of fund investment options. It also seized the opportunities of the "Cross-boundary Wealth Management Connect", continuously improved the product system, enhanced integrated financial service capabilities, and strived to provide clients with convenient, efficient, and personalized wealth management experiences.

The Group will continue to adhere to a client-centric approach, actively seize market and policy opportunities, steadily promote the development of the wealth management business, continuously optimize service experiences, enrich product portfolios, and comprehensively enhance professional service capabilities. At the same time, the Group will further deepen the application of fintech, improve the electronic service platform, strive to enhance the influence of the "Wynner" brand, and commit to providing clients with higher-quality and diversified wealth management solutions, creating long-term value with clients and achieving steady wealth growth.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF OPERATIONS (Cont'd)

Enterprise Finance Business

The enterprise finance business consists of corporate finance business and investment business. The corporate finance business provides corporate clients with stock underwriting sponsorship, bond underwriting and financial advisory services, while investment business mainly includes self-financing equity investment, debt investment and other investments.

| | 2025 HK\$'000 | 2024 HK\$'000 | % |
|---------------------------------|------------------|------------------|------|
| Fee and commission income | 124,075 | 89,921 | 38% |
| Losses from investment business | (17,063) | (435,635) | 96% |
| | 107,012 | (345,714) | 131% |

In 2025, fee and commission income from the enterprise finance business increased by 38% year-on-year to HK\$124 million. In addition, due to the business valuation adjustment on investment projects, the consolidated investment funds recorded loss from investment business of HK\$17.06 million.

— Sponsorship and underwriting and financial advisory

Upholding the purpose of serving national strategies, the Group focuses on supporting the development of the real economy, continuously promotes the synergy of domestic and foreign businesses, and actively carries out business based on solid professional capabilities. During the reporting period, according to the Dealogic database, the Group completed 4 Hong Kong stock IPO sponsorship projects, ranking 6th among Chinese-funded securities firms. It also actively promoted the reserve of high-quality sponsorship projects, especially strengthening deployment in key areas such as fintech. The Group also steadily expanded financial advisory businesses such as mergers and acquisitions and restructuring, demonstrating strong development potential. The performance of the Group's corporate finance business has been recognized by the industry. During the reporting period, it won awards such as the "China Securities Industry Overseas Investment Banking Junding Award" from Securities Times and the "Hong Kong Stock IPO Sponsorship Institution Golden Bull Award" from China Securities Journal. In the future, the Group will continue to leverage the synergy advantages of domestic and foreign integration, further expand sponsorship, underwriting, and financial advisory businesses, provide more professional and efficient integrated financial services for enterprises, help the Group strengthen its international market layout, and promote the business to achieve new breakthroughs in high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF OPERATIONS (Cont'd)

Enterprise Finance Business (Cont'd)

— *Equity capital market*

During the reporting period, the Group strengthened its support for high-quality enterprises listing in Hong Kong, focused on key areas such as fintech and green finance, continuously improved service capabilities, provided targeted integrated solutions for enterprises, further deepened cross-border business collaboration, actively expanded domestic project resources, and participated in 18 Hong Kong stock initial public offering underwriting projects and 1 Hong Kong stock placement project. The Group will closely monitor the regulatory policies and market dynamics of the equity capital market, actively explore potential business opportunities, further link domestic and foreign sales networks, and strive to provide clients with efficient, professional, and comprehensive financial service support.

— *Debt capital market*

During the reporting period, the Group completed 223 offshore bond issuance projects. According to the statistics of Bloomberg Database, the Group ranked 6th among Chinese securities firms in terms of the underwriting volume of Chinese-funded offshore bonds. The Group closely aligned with national strategic orientations, focused on key areas such as fintech and green finance, continuously enriched its product system including dim sum bonds, green bonds, blue bonds, and Magnolia bonds, and successfully participated in landmark projects such as China's first aerospace-themed bond issued by a local government, Shandong Energy Group's offshore green USD bond, and Shandong Yihe Holdings' global first non-financial enterprise USD-denominated "Yulan Bond", demonstrating the Group's professional service capabilities in the international bond market. During the reporting period, the Group was awarded multiple authoritative industry awards such as the "Most Influential Underwriting Institution Award" issued by the Shanghai Development Research Foundation and the "Annual Best Dim Sum Bond Underwriting Institution" by China Securities Technology DMI, further enhancing brand influence and market recognition. Against the backdrop of an increasingly stringent regulatory environment in the offshore bond market, the Group will further strengthen business development for high-quality client groups such as central enterprises and state-owned enterprises, provide clients with efficient, innovative, and comprehensive financing solutions, and promote the simultaneous improvement of the Group's business scale and efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF OPERATIONS (Cont'd)

Institutional Services and Trading Business

The institutional services and trading business mainly provides one-stop integrated financial services for institutional and professional individual clients, such as brokerage and trading of global markets, research consulting, fixed income bonds, foreign exchange, over-the-counter derivatives and other trading investments, and investment and financing solutions.

| | Fee and commission income | | Interest income | | Income from investment business | | Total | | % |
|--|---------------------------|----------|-----------------|----------|---------------------------------|----------|----------|----------|------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| Fixed income, currencies and commodities | – | – | – | – | 112,062 | 14,267 | 112,062 | 14,267 | 685% |
| Structured products | – | – | – | – | 27,210 | 6,051 | 27,210 | 6,051 | 350% |
| Stock business | 75,425 | 61,036 | 35,778 | 42,872 | – | – | 111,203 | 103,908 | 7% |
| | 75,425 | 61,036 | 35,778 | 42,872 | 139,272 | 20,318 | 250,475 | 124,226 | 102% |

In 2025, the Group established a new fixed income sales and trading team, continuously strengthened compliance and risk culture building, actively expanded core businesses such as secondary market market-making and client services, seized international market development opportunities, achieved zero-risk operations, and significantly improved business performance. During the reporting period, the fixed income, currencies and commodities business recorded HK\$112 million in revenue, a year-on-year increase of 685%.

Faced with a complex and volatile market environment, the financial innovation team adhered to the dual-drive strategy of “deepening existing business + expanding new business”. For core existing clients, it built a hierarchical client maintenance system, provided high-standard professional services, and further improved cooperation stickiness; at the same time, it increased efforts in developing new clients, accurately tapped the option allocation needs of various institutions and high-net-worth clients, and drove steady growth in business income. The team continued to deepen the cross-departmental collaboration mechanism, explored diversified income growth points through business linkage, and further enhanced Shenwan Hongyuan’s brand influence and market recognition among core client groups with professional and efficient integrated solutions. During the reporting period, the structured products business achieved HK\$27.21 million in income, a year-on-year increase of 350%.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

REVIEW OF OPERATIONS (Cont'd)

Institutional Services and Trading Business (Cont'd)

The institutional sales, institutional trading and corporate relations teams focused on improving service capabilities and promoting business synergy, and actively promoted the expansion of global market business. During the reporting period, the team successfully served 10 institutional clients to participate in and obtain placements in IPO projects led by the corporate finance business team. At the same time, seizing the industry opportunity of QFII foreign institutions shifting to the “Stock Connect” channel, it assisted the Bank of Korea, a sovereign fund, in completing the landing of “Stock Connect” entrusted accounts. In terms of brand building, the Korean Representative Office, in conjunction with Shenwan Hongyuan Research and Korea’s largest economic media, Korea Economic Daily, co-organized the “Korea Investment Week” event, further enhancing the Group’s brand influence in the Korean market. During the reporting period, the equity business achieved HK\$111 million in revenue, a year-on-year increase of 7%, of which fee and commission income was HK\$75.43 million, a year-on-year increase of 24%.

Asset Management Business

The asset management business mainly provides public fund management, private fund management, investment advisory and discretionary managed account services.

| | 2025 HK\$'000 | 2024 HK\$'000 | % |
|---------------------------|------------------|------------------|----|
| Fee and commission income | 12,017 | 11,258 | 7% |

In 2025, amid challenges such as stricter regulation of cross-border capital flows and increased volatility of RMB assets, the Group’s asset management business adhered to a steady progress approach, focusing on public funds, private funds, discretionary account management, and investment advisory services. By continuously optimizing product structure, improving investment research capabilities, and strictly controlling risk management, it actively seized market opportunities and effectively stabilized the client base and fee levels. During the reporting period, the fee and commission income of the asset management business was HK\$12.02 million, a year-on-year increase of 7%.

Looking forward, the Group’s asset management business will continue to uphold the development concept of balancing stability and innovation, further improve investment research capabilities, promote cross-border asset management cooperation and product innovation, focus on cooperation opportunities in countries (regions) along the “Belt and Road”, deepen strategic cooperation with financial institutions in key countries (regions), actively explore and develop iconic strategic products with market competitiveness and innovation, continuously improve service quality and professional standards, and further strengthen its market position in the asset management field among Chinese-funded securities firms in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

CAPITAL STRUCTURE

As at 31 December 2025, the total number of the issued ordinary shares was 1,561,138,689 shares and total equity attributable to ordinary equity holders was approximately HK\$2.751 billion (31 December 2024: HK\$2.629 billion).

TREASURY POLICIES

The Group generally finances its business operations with internally generated cash flow and bank borrowings. The majority of Group's banking facilities is renewable on a yearly basis and is on floating interest rates basis. In addition, it has been the policy of the Group to maintain adequate liquidity at all times to meet its liabilities as and when they fall due.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2025, the Group had a cash of HK\$890 million (2024: HK\$440 million) and financial assets at fair value through profit or loss of HK\$5,828 million (2024: HK\$3,032 million). As at 31 December 2025, the Group's total unutilised banking facilities amounted to HK\$5,999 million (2024: HK\$7,406 million), of which HK\$5,699 million (2024: HK\$7,406 million) could be drawn down without the need of notice period or satisfaction of condition precedent.

As at 31 December 2025, the Group had outstanding short-term bank borrowings and notes issued amounting to HK\$1,855 million (2024: HK\$436 million) and HK\$234 million (2024: nil) respectively. The liquidity ratio (current assets to current liabilities) and gearing ratio (borrowings to net asset value) as at 31 December 2025 were 126% (2024: 142%) and 76% (2024: 17%) respectively.

The Group has sufficient financial resources for its day to day operations as well as spare capacity to take advantage of any investment opportunities when they arise.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL

During the year, the Group did not hold any significant investment and did not have any material acquisition or disposal.

CHARGES ON THE GROUP'S ASSET

No asset of the Group was subject to any charge as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

RISK MANAGEMENT

The Group has properly put in place credit management policies which cover the examination of the approval of clients' trading and credit limits, regular reviews of facilities granted, monitoring of credit exposures and the follow-up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

The management closely monitors the market condition so that precautionary measures will be taken to eliminate any risk that the Group may encounter. As at 31 December 2025, the advances to customers were overdue accounts receivable from cash clients and margin financing.

As at 31 December 2025, the balance of accounts receivable from cash clients and margin financing amounted to HK\$33 million (2024: HK\$28 million) and HK\$1,497 million (2024: HK\$1,158 million), respectively.

34% (2024: 33%) of margin financing was attributable to corporate customers with the rest attributable to individual customers.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The Group's principal operations are transacted and recorded in Hong Kong dollar and US dollar. The Group is not exposed to material foreign exchange risk because Hong Kong dollar is pegged with US dollar. Other foreign currency exposure is relatively minimal to its total assets and liabilities. The Group has endeavored to closely monitor its foreign currency positions and take measures when necessary.

CONTINGENT LIABILITIES

There were no material contingent liabilities as at 31 December 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except the future plans as disclosed in the paragraph headed "Future Plans & Prospects" of the "Chairman's Statement" section, the Group had no other future plans for material investments or capital assets as at 31 December 2025.

EMPLOYEES

As at 31 December 2025, the total number of full-time employees was 244 (2024: 256). The total staff costs for the year amounted to approximately HK\$251 million (2024: HK\$233 million).

The Group has established policies and regulations concerning staff recruitment, remuneration, promotion, and training. To maintain the Group's market competitiveness, independent consultants appointed by the Group conduct regular remuneration surveys. In response to market conditions, the Group formulates relevant and appropriate remuneration and incentive schemes to attract and retain talent. The Group advocates equal opportunities and recruits competent personnel globally.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THIS REPORT

The Group hereby publishes the 2025 Environmental, Social and Governance (ESG) Report (“this Report”), which outlines our principles and practices in fulfilling corporate social responsibility and promoting sustainable development. This Report primarily highlights the responses the Group has taken during the year to address key issues of concern to major stakeholders, including the formulation and implementation of corresponding ESG strategies to mitigate relevant impacts. In appropriate circumstances, we also evaluate the effectiveness of execution based on pre-set quantitative targets, thereby continuously enhancing the Group’s sustainable management performance.

Reporting Boundary

Unless otherwise specified, the scope of this Report covers the operations of the Company and its subsidiaries (with the exception of Segregated Portfolio Companies and overseas representative offices) in their offices located in Hong Kong, including brokerage business, corporate finance business, asset management business, financing and loans business, and investment and other business. The respective assets under management (“AUM”) and scale of operation of the Segregated Portfolio Companies and overseas representative offices are small as compared with those of the Group. The Group will consider expanding the scope of this Report when necessary. The Reporting Period covers 1 January 2025 to 31 December 2025 (the “Reporting Period”).

Reporting Basis

This Report has been prepared in accordance with the principles of materiality, quantitiveness, and consistency as set out in the Environmental, Social and Governance Reporting Code (the “Code”) in Appendix C2 to the Listing Rules. This Report also complies with the “mandatory disclosure requirements” and “comply or explain” provisions of the Code, and sets out the environmental and social impacts of the Group’s business and operational activities accordingly.

Materiality: This Report covers the ESG information deemed material by the Group, assessed for significance by the ESG Committee and confirmed by the Board, thereby establishing the Group’s material ESG issues. For details on the materiality assessment process, please refer to the “Materiality Analysis” section of this Report.

Quantitative: The Group discloses the quantitative key performance indicators applicable under the Code¹, along with appropriate disclosures regarding the calculation standards, methods, and assumptions used for these quantitative key performance indicators, including information related to reporting standards, methods, assumptions, and calculation tools for emissions/energy consumption (if applicable), as well as the sources of conversion factors used.

Consistency: Where feasible, this Report uses the same information collection and statistical methods as the previous reporting period, enabling stakeholders to make meaningful comparisons of performance across reporting periods. If any methodological changes occur, the Group will present and elaborate on them in the relevant sections.

¹ Data involving decimals in this Report are rounded.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

Reporting Language

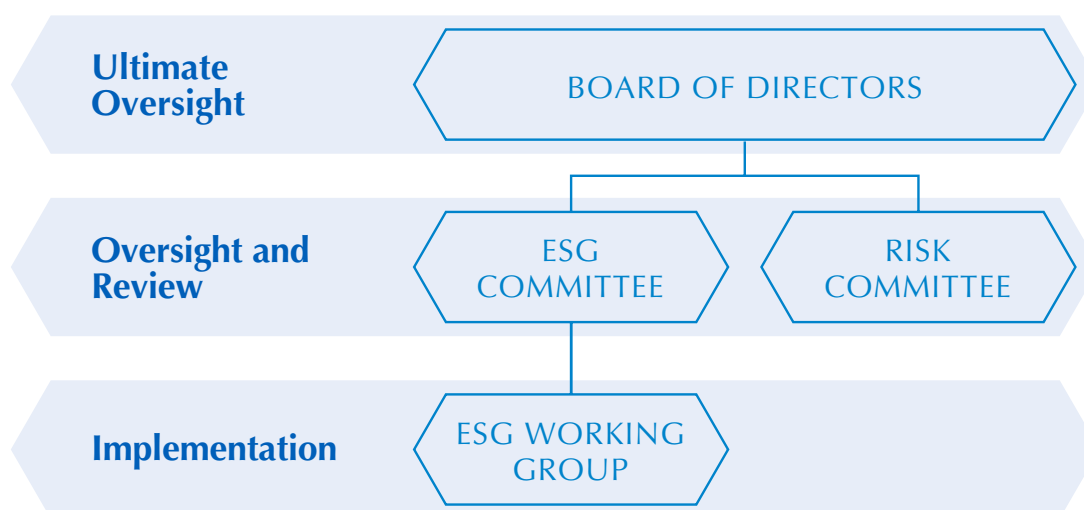
This Report is published in both traditional Chinese and English. In case of any discrepancy, the traditional Chinese version shall prevail.

Reporting Approval

This Report was considered and approved for publication by the board of directors of the Company (the "Board") on 31 March 2026.

2. SUSTAINABILITY GOVERNANCE

The Board has authorized the establishment of working groups at various levels, specifically responsible for ESG-related matters, and has formulated the following ESG governance framework:



The Board has overall responsibility for the oversight of the Group's ESG-related issues and has authorized the ESG Committee to monitor and review relevant key strategies and policies. The ESG Committee currently consists of three executive directors and three independent non-executive directors. To implement and execute the Group's ESG strategies and policies, the Group has also set up an ESG Working Group, composed of heads of relevant functional departments.

In addition, ESG-related risks have been incorporated into the Group's risk management system and are regularly identified and reviewed by the Risk Committee to ensure the Group has appropriate and effective risk management and internal control systems.

2.1 Board Statement

The Board is responsible for the leadership and oversight of the Group's ESG matters, including identifying and addressing key risks and opportunities related to ESG and climate change. The main responsibilities of the Board of Directors include: regularly reviewing and approving the Group's ESG policies and strategies; reviewing and overseeing the progress of ESG-related goals and key performance indicators; evaluating, prioritizing, and managing material ESG issues to ensure that relevant risks are properly managed and opportunities are seized.

2.2 ESG Mission and Philosophy

The Group adheres to the core values of compliance and stability, high-quality services, green operations, and giving back to society. We are committed to fully implementing sustainable development policies, improving governance effectiveness and operational quality, and continuously strengthening corporate social responsibility to lay a solid foundation for long-term development.



Compliance and Stability: We enhance internal control mechanisms, strictly comply with laws and regulations, strengthen anti-corruption and anti-money laundering systems, and continuously conduct compliance training and risk monitoring.

High-quality Services: We strengthen client information security, set up multiple channels to handle complaints, and ensure clear and accurate information disclosure.

Green Operations: We implement energy-saving lighting, improve equipment efficiency, promote paperless practices and waste paper recycling, optimize energy management, and implement energy-saving, emission reduction, and green office measures.

Giving Back to Society: We support vulnerable communities through public welfare activities, donations, and volunteer services, promote community development, and continuously deepen corporate social responsibility practices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

2.3 Stakeholder Communication

The Group recognizes that maintaining smooth and effective communication with stakeholders is crucial to achieving corporate sustainable development. Therefore, we continuously engage in effective communication with all parties, actively listen to their suggestions, and use these as an important basis for formulating sustainable development strategies. We communicate with stakeholders through multiple channels and establish a comprehensive communication mechanism to understand their expectations for the Group's sustainable development. This helps us stay updated on their key concerns and continuously improve our sustainability performance.

| Stakeholders | Key Concerns | Communication Channels |
|-----------------------------------|---|---|
| Shareholders and Investors | Corporate governance Integrity and compliance operations Anti-bribery and anti-corruption Reasonable return on investment | Annual general meeting and other general meetings |
| | | Interim reports and annual reports |
| | | Corporate communications, such as letters/circulars to shareholders and meeting notices |
| | | Company website/information disclosure |
| | | Investor relations email address for timely response to investor inquiries |
| Clients | Product and service safety and quality Investor education | Complaint hotline/phone |
| | | Email address |
| Employees | Employee rights Employee health and safety Employee communication and engagement Employee training and development | Performance appraisal and interviews |
| | | Channels for employees to express opinions (forms, suggestion boxes, intranet, etc.) |
| | | Seminars/workshops/lectures |
| | | Employee training |
| Regulators | Integrity and compliance operations Anti-bribery and anti-corruption Equal treatment of SMEs Data security and client privacy protection Support for national economic development strategies | Meetings |
| | | Information disclosure |
| Suppliers | Product and service safety and quality Anti-bribery and anti-corruption Fair and sound cooperation opportunities | Meetings |
| | | Supplier/contractor evaluation system |
| Media | Brand image and public relations | Performance announcements |
| Community/NGOs | Responsible investment Industry culture development Employee volunteer services Rural revitalization | Public welfare activities |

2.4 Materiality Analysis

To ensure the report effectively addresses stakeholder concerns and fully identifies and prioritizes sustainable development issues, the Group conducted a materiality assessment. This ensures that the report can specifically respond to stakeholders' key concerns regarding the Group. In 2025, when conducting the materiality assessment, the Group comprehensively referred to the results of the 2021 ESG materiality assessment, the Code, the Sustainability Accounting Standards Board's Materiality Map®, industry trends, and peer benchmarking, while also incorporating stakeholders' opinions. In combination with the Group's ESG approach, corporate values, and development strategies, we thoroughly assessed the impact of each issue on the business and stakeholders to identify and determine the Group's key ESG issues.

We identified the following 18 ESG issues, including four that were confirmed by the Board of Directors in 2021 as "material ESG issues" for the coming years, namely Fair and Responsible Marketing Communication and Information, Client Information Security, Employee Benefits, and Compliance with Laws and Regulations, which remain applicable this year. These issues will be highlighted in subsequent chapters to fully present the Group's ongoing commitment to and progress in ESG practices.

| Scope | ESG Issues |
|-----------------------|--|
| Environment | 1. Greenhouse Gas Emissions |
| | 2. Energy Consumption |
| | 3. Water Consumption |
| | 4. Paper Consumption and Disposal |
| | 5. Hazardous Waste |
| | 6. Climate Change Risk and Mitigation |
| Employees | 7. Employee Composition |
| | 8. Employee Benefits |
| | 9. Health and Safety |
| | 10. Development and Training |
| | 11. Labour Standards |
| Operational Practices | 12. Supply Chain Management |
| | 13. Fair and Responsible Marketing Communication and Information |
| | 14. Client Information Security |
| | 15. Product Responsibility |
| | 16. Compliance with Laws and Regulations |
| | 17. Anti-corruption |
| Community | 18. Social Services |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

In the following sections, Chapter 3: Adherence to Concept of Compliant Operations; Chapter 4: Growing Together with Employees; Chapter 5: Practicing Green Development Philosophy; and Chapter 6: Corporate Social Responsibility Practices, we will address the aforementioned key ESG issues one by one and explain the management measures the Group has adopted to mitigate their impacts. Where applicable, we will also assess and track performance through pre-set quantitative goals, ensuring the continued advancement and improvement of sustainable development efforts.

3. ADHERENCE TO CONCEPT OF COMPLIANT OPERATIONS

The Group, based in Hong Kong, has been providing financial services to global clients for over 50 years and is one of the earliest Chinese securities institutions to develop its business in Hong Kong. The Group makes full use of both domestic and international resources, actively expanding cross-border business, continuously enhancing comprehensive financial service capabilities, and seizing development opportunities presented by the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area. In parallel, the Group strengthens green finance-related services while striving to create greater value for clients and shareholders.

3.1 Client Information and Complaints

The Group has established a comprehensive service process. To comply with the Securities and Futures Commission (SFC) Code of Conduct for Licensed Persons or Registered Persons, and the Anti-Money Laundering and Counter-Terrorist Financing Guidelines (applicable to licensed corporations and virtual asset service providers licensed by the SFC), we implement the Know Your Clients procedure and assessment mechanism to fully understand clients' financial status, investment experience, and risk tolerance, thereby offering them suitable financial products and services.

The Group strictly adheres to the provisions of the Personal Data (Privacy) Ordinance regarding the collection, processing, and use of client data. To protect the security of client personal data, the Group has taken a series of specific measures, including incorporating confidentiality clauses on client data in agreements when appropriate to further prevent client data leakage and effectively safeguard clients' privacy rights and interests. The specific information protection processes and measures are disclosed in detail in the client notices related to the Personal Data (Privacy) Ordinance. During this year, the Group did not receive any complaints regarding client data breaches.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

The Group has formulated policies that provide guidelines for handling client complaint procedures. We have established multiple communication channels, including a toll-free customer service hotline and an official complaint email, to respond to and handle client inquiries. Complaints raised by clients are promptly addressed by the Compliance Department, and investigations are initiated when necessary. If the complaint involves material regulatory compliance issues, it will be evaluated and submitted to relevant regulatory authorities for further investigation. During the Reporting Period, the Group handled all product or service-related complaints.

| Product Responsibility | 2025 | 2024 | 2023 |
|--------------------------------|-------------|------|------|
| Number of complaint(s) handled | 1 | 2 | 1 |

3.2 Establishing an Information Defense Line

We strictly comply with Hong Kong's Personal Data (Privacy) Ordinance, clearly stating the purpose, permissible scope of use, and potential disclosure parties when collecting client personal data, ensuring that clients are fully informed and have explicitly consented to the relevant data usage arrangements. In addition, the Group has formulated emergency response plans for information technology incidents and network and information security management measures. We place high importance on data and network security, continuously improving the protective measures for our information systems, and fully implementing information security strategies in all aspects of system planning, development, and operations to ensure the secure operation of information systems.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| | |
|---|--|
| <p>Establishing a comprehensive corporate information security system</p> | <ul style="list-style-type: none"> • We continue to advance the construction of information technology covering all business and control processes and links, ensuring data security during the collection, storage, transmission, processing, and use through the establishment of a data chain; • We actively plan, design and implement information security work, and establish a complete information security system by formulating information security policies, end-user computer usage guidelines, and various system operation protocols. |
| <p>Establishing a comprehensive information security technology system</p> | <ul style="list-style-type: none"> • We deploy intelligent security protection devices with automatic threat detection capabilities, and strengthen and enhance the underlying network security protection capabilities through infrastructure such as intrusion detection, security defense and physical isolation; • We strengthen user identity authentication and access control, improving the overall security auditing level; • We continue to improve the information security management system to ensure the effective implementation of all security measures; • We have established an information security technical control mechanism and introduced external IT security audits to help mitigate cybersecurity risks; • We strengthen the security protection of clients' personal sensitive information, defend against external malicious intrusions, reduce information security risks, and safeguard the security of the company's information systems and information assets. |
| <p>Establishing a comprehensive emergency response mechanism</p> | <ul style="list-style-type: none"> • We have developed a detailed emergency response plan covering event monitoring, reporting, assessment and disposal; • An emergency task force has been established, responsible for emergency recovery, technical disposal and support work for information technology incidents; • Through the above mechanism, we aim to minimize the impact of information security incidents on clients. |
| <p>Enhancing employee information security awareness</p> | <ul style="list-style-type: none"> • We conduct information security training for employees at least once a year to strengthen education on information security awareness; • We continuously improve employees' ability to identify and prevent network security risks. |

3.3 Stable and Compliant Operations

The Group understands that adhering to the applicable laws and regulations related to ESG issues is crucial for its operations. We also recognize that any violations of these laws and regulations could have a significant impact on the Group's operations, performance, financial condition, and reputation. As a result, the Group has formulated strict internal policies and monitoring measures to ensure continuous compliance with relevant laws, regulations and regulatory requirements. All hardware and software used in our office and operations are legally licensed versions, and we fully comply with the requirements related to intellectual property protection. The Group also keeps abreast of the latest regulatory developments and provides relevant training to relevant employees from time to time.

In 2025, the Group found no material breaches, infringements, or non-compliance with applicable laws and regulations that would have a significant impact on its business and operations.

3.4 Upholding the Anti-corruption Defense Line

The Group strictly complies with applicable laws and regulations, including the Hong Kong Securities and Futures Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, and has established and continuously operated a comprehensive internal control and rigorous policy framework, including Anti-Money Laundering and Counter-Terrorist Financing Policies, a Compliance Manual, an Integrity Management System, and a Whistleblowing Policy, to regulate the conduct of the Group's employees and related personnel. Through effective implementation, we promote a culture of integrity, including conducting client due diligence, risk assessments, record keeping, and suspicious transaction reporting, prohibiting employees from soliciting or accepting improper benefits, preventing conflicts of interest, and striving to eliminate all corrupt, bribery, extortion and fraudulent misconduct through monitoring, record-keeping and training. We provide convenient whistleblowing channels for employees and business-related parties, actively encouraging the truthful reporting of any suspected violations, and adopt a zero-tolerance approach.

We have formulated measures for managing conflicts of interest between the Company and employees, requiring employees to identify and declare conflicts of interest, prohibiting the acceptance of improper benefits and abuse of authority, in order to safeguard the Company's interests and reputation.

The Group has established a new client service policy and conducts comprehensive assessments of clients' backgrounds and financial conditions through the implementation of the Know Your Clients procedures. During the process, we conduct name screening of prospective clients to determine whether they are politically exposed persons or their associates and assess the corresponding bribery and corruption risk levels. The Group has established standardized identification and control mechanisms to effectively manage relevant risks. For clients assessed as posing significant suspicion, the Group will refuse to provide services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

The Group consistently conducts its business in accordance with the highest ethical standards. During the Reporting Period, no significant bribery-related risks were identified, nor were there any confirmed corruption incidents involving the Group, or any public legal cases concerning corruption brought against the Group or its employees. We continue to uphold ethical requirements, safeguard our good reputation, and proactively prevent any occurrence of fraud and corruption. During the Reporting Period, we also provided anti-corruption training to directors and employees, with 1 director and 233 employees receiving a total of 2.5 hours and 577.5 hours of anti-corruption training, respectively.

| Anti-corruption | 2025 | 2024 | 2023 |
|---|------|------|------|
| Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees | 0 | 0 | 0 |

3.5 Responsible Marketing

We strictly comply with the Securities and Futures Ordinance and, in accordance with the Compliance Manual and the operational procedures for the official website and social media, handle external communications and advertising materials with prudence. By clearly explaining product features, terms and conditions, and related risks, we ensure that clear and complete information is provided to the public. We have established explicit standards for advertising and sales literature, prohibiting false, misleading, or inaccurate statements in any form of communication, thereby enabling clients to make decisions on a fully informed basis. During the Reporting Period, the Group was not aware of any violations of advertising- and privacy-related laws, regulations, or industry codes in connection with the provision and use of the Group's products and services.

Before providing products or services to clients, employees must thoroughly review relevant product materials and documents and accurately understand the product structure and associated risks. Prior to accepting client mandates, such information must be clearly and comprehensively explained to clients. In addition, employees must ensure that the recommendations or solicitations provided to clients are reasonable in all circumstances. From the preparation of marketing materials and related documentation to the final acceptance of client mandates, the entire process is conducted in strict accordance with the Group's internal policies and guidelines, ensuring compliance with relevant regulatory requirements.

The Company clearly discloses all fees and charges related to securities services through its official website and relevant documentation. The Legal Department and the Compliance Department review other required disclosures, including risk disclosure statements, potential conflicts of interest (where applicable), and marketing materials for products or services, to ensure that the relevant information is accurate and reliable.

3.6 Sustainable Supply Chain

The Group has formulated procurement management measures, striving to extend the concept of sustainable development throughout the entire supply chain. We select reliable suppliers, agents, and third-party financial institutions (the “Suppliers”) to build cooperative relationships. We are committed to prioritizing transactions with Suppliers that uphold social responsibility and meet our ethical standards and business principles in our daily operations. During the selection process, the Group comprehensively evaluates factors such as the market reputation, track record of high corporate governance standards, professional qualifications, and service capabilities of potential partners to screen out the most suitable Suppliers. All partnerships must be approved by the relevant management before formal contracts are signed to ensure that we make the most appropriate choices.

Only Suppliers approved by the Group are eligible to participate in tender or quotation exercises during the supplier selection process. We focus on assessing whether Suppliers offer environmentally friendly products and adopt sustainable operational practices, and we conduct regular annual reviews of Suppliers. In addition, to reduce the potential environmental and social impacts, the Group prioritizes the procurement and use of more sustainable and efficient products and services during the procurement process. For example, we actively procure high energy efficient office equipment and eco-friendly toner cartridges. We strictly prohibit employees from accepting or offering improper benefits during the procurement process. If employees are suspected of corruption or other violations during procurement, we will hold them accountable after investigation and verification. The Group will give priority consideration to companies that have obtained environmental certifications or are members of the “Caring Company” program.

| Supply Chain Management | 2025 | 2024 | 2023 |
|--------------------------------------|------|------|------|
| Number of key suppliers ² | 274 | 258 | 237 |
| By region | | | |
| Hong Kong | 212 | 200 | 162 |
| Chinese Mainland | 31 | 26 | 26 |
| Others | 31 | 49 | 49 |

² The definition of “key suppliers” refers to suppliers of products and/or services to the Group whose contract sum exceeded HK\$1,000 (or its equivalent).

4. GROWING TOGETHER WITH EMPLOYEES

The Group is committed to creating an equal, diverse, and safe working environment, continuously improving the employee compensation and benefits system, and providing comprehensive career training to develop a competitive professional team. The Group also strictly complies with Hong Kong's Employment Ordinance and labor regulations, actively promoting employee growth and achieving mutual progress for employees and the company. As of 31 December 2025, the Group has a total of 244 employees.

4.1 Employee Rights Protection

The Group has established a regulatory system covering talent recruitment, compensation and incentives, promotion and development, and training systems to attract and retain talent. To ensure that the compensation level is competitive in the talent market, the Group adheres to the principle of equal opportunity in talent selection and recruits competent professionals globally. The Group's Human Resources Policies and Procedural Manual clearly define matters such as dismissal and voluntary termination of employment contracts. These terms strictly follow the legal requirements regarding termination of employment under the Hong Kong Employment Ordinance to ensure all procedures are legal and compliant.

To build harmonious and stable employment relationships, the Group is committed to fostering an inclusive and respectful work environment, firmly opposing and eliminating any form of discrimination and harassment, ensuring equal development opportunities for all employees. All employees are fully informed of and adhere to the Group's employment policies and related guidelines, which comply with all applicable legal and regulatory requirements. In addition, employees can access the Human Resources Manual through the Group's intranet to gain a full understanding of employment terms, various benefits policies and other related policies, ensuring transparency of information and smooth communication.

The Group regularly reviews recruitment processes and hiring practices to ensure strict compliance with the Hong Kong Employment Ordinance and regulations regarding the prohibition of child labor and forced labor. As of 31 December 2025, the Group has not engaged in any violations related to child and forced labour.

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During the year ended 31 December 2025, the total number of employees of the Group was 244. The breakdowns are as follows:

| Breakdown of staff | 2025 | 2024 | 2023 |
|-------------------------------------|-------------|------|------|
| Total number of employees | 244 | 256 | 283 |
| Number of employees by gender | | | |
| Female | 126 | 128 | 134 |
| Male | 118 | 128 | 149 |
| Number of employees by category | | | |
| Full-time | 244 | 256 | 283 |
| Number of employees by age group | | | |
| Below 30 | 45 | 39 | 38 |
| 30 to 50 | 168 | 188 | 214 |
| Over 50 | 31 | 29 | 31 |
| Number of employees by region | | | |
| Hong Kong | 220 | 232 | 260 |
| Chinese Mainland | 15 | 15 | 14 |
| Others | 9 | 9 | 9 |
| | | | |
| | 2025 | 2024 | 2023 |
| Employee turnover rate ³ | 21% | 25% | 26% |
| Turnover rate by gender | | | |
| Female | 18% | 20% | 28% |
| Male | 24% | 30% | 25% |
| Turnover rate by age group | | | |
| Below 30 | 22% | 26% | 23% |
| 30 to 50 | 22% | 26% | 25% |
| Over 50 | 13% | 21% | 43% |
| Turnover rate by region | | | |
| Hong Kong | 22% | 28% | 28% |
| Chinese Mainland | 20% | 0% | 7% |
| Others | 0% | 11% | 19% |

³ Employee turnover rate of the category: the number of employees resigned in that category ÷ total number of employees in that category at the end of the year x 100%.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

4.2 Improve Employee Well-being

The Group was improving the employee compensation and benefits system. To ensure the market competitiveness of compensation and benefits, the Group engages independent consulting firms to conduct regular market research and, based on this, formulates market-competitive compensation incentive plans to attract and retain outstanding talent.

The Group values continuous communication with employees and actively builds an efficient and smooth platform for two-way communication, encouraging employees to provide constructive feedback and promoting effective internal information flow. At the same time, the Group regularly organizes team-building activities to continuously strengthen employee cohesion and enhance organizational identity and a sense of belonging.

4.3 Strengthening the Safety Defense Line

The Group always places the health and safety of employees as a top priority, striving to create a safe, healthy, and ergonomically sound working environment. We strictly adhere to the Occupational Safety and Health (Display Screen Equipment) Regulations and relevant guidelines, and refer to the Code of Practice for Working with Display Screen Equipment, conducting comprehensive assessments and improvements of the office environment to ensure it fully meets occupational health and safety standards.

The Group continuously improves the hygiene and safety management system of the workplace, implementing normalized epidemic prevention measures and an effective safety protection mechanism to create a healthy, safe, and reliable working environment for all employees, effectively safeguarding their physical and mental health and well-being.

| Health and Safety | 2025 | 2024 | 2023 |
|--|------|------|------|
| Number of work-related fatalities | 0 | 0 | 0 |
| Rate of work-related fatalities (%) | 0% | 0% | 0% |
| Number of lost days due to work injury | 0 | 0 | 0 |

4.4 Supporting Employee Growth

To continuously improve the professional capabilities of the Group's employees and consolidate the company's core competitiveness, the Group has systematically planned a training system and regularly organizes diversified training programs, focusing on enhancing employee skills, improving the Group's overall professional quality and operational efficiency. Employees are provided with systematic on-the-job training opportunities throughout their employment with the Group. At the same time, the Group has established clear employee development policies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

The Group has developed an effective performance management system, incorporating employee performance evaluations into the core process of talent development. Through the regular annual performance evaluations, the results serve as a key reference for formulating employee incentive plans, planning training and development programs, making promotion decisions, and optimizing talent retention strategies. In compliance with the requirements of the Securities and Futures Commission, the Group organised a total of 20 Continuous Professional Training for all licensed staff members for the year ended 31 December 2025.

| Development and Training | 2025 | 2024 | 2023 |
|---|-----------------|----------|----------|
| Total number of employees who receiving training | 233 | 196 | 242 |
| Percentage of employees who receiving training | 95% | 77% | 86% |
| Number and percentage of employees trained by gender ⁴ | | | |
| Female | 110, 45% | 87, 34% | 98, 35% |
| Male | 123, 50% | 109, 43% | 144, 51% |
| Number and percentage of employees trained by category | | | |
| Management | 4, 2% | 4, 2% | 4, 1% |
| General | 229, 94% | 192, 75% | 238, 84% |
| Average hours of training of employees ⁵ | | | |
| Overall | 15.5 | 12.5 | 14.0 |

During the Reporting Period, in terms of the average training hours for employees by gender, the average training hours for both female and male employees were 15.5 hours. In terms of the average training hours for employees by category, the average training hours for management and general employees were 16.8 hours and 15.5 hours, respectively.

5. PRACTICING GREEN DEVELOPMENT CONCEPTS

The Group actively fulfills its corporate social responsibility, adhering to the concept of sustainable development, committed to reducing the environmental impact of its business activities, and properly managing waste. In 2025, the Group is committed to conducting business in an effective and sustainable manner, continuously seeking opportunities to improve its environmental performance by reducing energy and other resource consumption.

As a financial services institution, the direct environmental impact of our business activities is primarily focused on energy use and associated greenhouse gas emissions in office locations. Other environmental impacts arise from the use of company car, paper consumption, and disposal of computer equipment.

⁴ Calculation method: the number of trained employees of the category ÷ number of employees at the end of the year × 100%.

⁵ Calculation method: the total number of training hours of employees of the category ÷ number of employees trained of the category.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

5.1 Practicing Environmental Goals

To ensure the company can effectively plan and promote various energy-saving and emission-reduction efforts, the Board of Directors established the Group's medium-term (2022-2025) energy-saving and emission-reduction goals in 2022, covering aspects such as greenhouse gas emissions and energy usage efficiency. The achievement against these goals by the end of the current year is as follows:

| Medium-Term (2024-2025) Energy-Saving and Emission-Reduction Goals | | |
|---|--|--|
| Goal Details | Achievement Details | |
| By the end of 2025, direct greenhouse gas emissions generated by the company car will be reduced to 12.48 tonnes of carbon dioxide equivalent. | Goal Achieved | By the end of 2025, direct greenhouse gas emissions generated by the company car were reduced to 3.01 tonnes of carbon dioxide equivalent. |
| By the end of 2025, indirect greenhouse gas emissions from electricity consumption per unit floor area and per capita will be reduced to 0.12 tonnes of carbon dioxide equivalent and 1.24 tonnes of carbon dioxide equivalent, respectively. | Goal Achieved | By the end of 2025, indirect greenhouse gas emissions from electricity consumption per unit floor area were reduced to 0.10 tonnes of carbon dioxide equivalent. |
| | Goal Achieved | By the end of 2025, indirect greenhouse gas emissions from electricity consumption per capita were reduced to 1.22 tonnes of carbon dioxide equivalent. |
| By the end of 2025, energy consumption per unit floor area and per capita will be reduced to 0.18 MWh and 1.84 MWh, respectively. | Goal Achieved | By the end of 2025, energy consumption per unit floor area was reduced to 0.17 MWh. |
| | Due to a continuous decrease in the number of employees in recent years, the calculated base has declined more significantly, resulting in the target being exceeded | By the end of 2025, per capita energy consumption was reduced to 2.03 MWh. |
| By the end of 2025, per capita paper consumption will be reduced to 0.019 tonnes. | Goal Achieved | By the end of 2025, per capita paper consumption was reduced to 0.013 tonnes. |

5.2 Focusing on Energy Management

To enhance operational efficiency and reduce energy consumption, the Group continued to implement energy-saving measures in 2025, building on the energy-saving direction established in 2022. To further improve energy use efficiency, we require each department to continuously use high energy efficient office equipment and introduce energy-saving systems, such as motion sensor lighting devices, into new office spaces. Motion sensors are installed in areas not frequently used to automatically adjust lighting needs. In daily operations, we turn off lights when offices are not in use, try to utilize natural daylight for illumination, and keep lighting fixtures and bulbs clean to maintain optimal energy efficiency. At the same time, we divide the office into multiple independently controlled lighting zones and gradually replace the lighting fixtures in each office with LED tubes to achieve higher energy-saving benefits, thereby continuously optimizing energy management and creating an eco-friendlier working environment.

For the air conditioning system, we regularly clean filters and air conditioning units to ensure the equipment operates efficiently. Additionally, we turn off the air conditioning when offices are not in use. We also shut down non-essential office power supplies before rest days and holidays to reduce unnecessary energy consumption.

| Energy Consumption ^{6,7,8} | Unit | 2025 | 2024 | 2023 |
|---|--------------------|--------|--------|--------|
| Electricity Consumption | MWh | 662.26 | 702.71 | 748.89 |
| Total energy consumption | MWh | 662.26 | 702.71 | 748.89 |
| Total energy consumption per floor area | MWh/m ² | 0.17 | 0.17 | 0.18 |
| Total energy consumption per employee | MWh/employee | 2.03 | 1.98 | 1.84 |

5.3 Enhancing Water Management

The Group operates its business in leased office premises in Hong Kong, and the relevant water supply and drainage systems are uniformly managed and controlled by the building management office. As the management office considers it impracticable to provide individual tenants with separate water consumption and discharge data or to install sub-meters, we are currently unable to obtain and monitor our own water usage data. In terms of water management, we promptly repair any leaking faucets to prevent unnecessary waste of water resources. In addition, since the Group solely relies on government-supplied water, we have no issues regarding water sourcing.

⁶ Unless otherwise specified, the environmental data covers the Group's operation in Hong Kong region only.

⁷ Energy consumption data is based on the amount of electricity consumed.

⁸ The conversion to MWh is based on the conversion factors set out in the Energy Statistics Manual of the International Energy Agency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

5.4 Practicing a Paperless Office

Based on the nature of our business, the non-hazardous waste generated primarily consists of paper. In our daily operations, the Group fully implements the green office concept and is committed to reducing resource consumption in operations. Regarding paper usage, we continue to prioritize the use of Forest Stewardship Council (FSC) certified printing paper, ensuring that it is sourced from responsibly managed forests. In 2025, approximately 99% of the paper used by the Group was FSC-certified printing paper.

To promote environmental protection, we actively encourage shareholders to access annual reports and circulars through the Company's website and The Stock Exchange of Hong Kong Limited's website to reduce paper usage and the distribution of printed documents. At the same time, we continuously encourage clients to opt for electronic statements to reduce paper consumption. At the internal office level, we have implemented smart printing and photocopying methods across our office premises to further reduce office paper consumption.

In 2025, the Group achieved notable results in reducing paper usage, with office paper consumption totaling 3.35 tonnes, representing a year-on-year decrease of 1%. The above achievements were mainly attributable to our continued promotion of digital initiatives, including actively guiding clients to adopt electronic statements and fully implementing the office automation (OA) system to handle internal approval processes. Meanwhile, a total of 1.36 tonnes of waste paper was collected for recycling during the year. In the future, we will set reducing paper usage as our waste reduction goal and fully implement the concept of a paperless office.

| Paper Consumption ⁹ | Unit | 2025 | 2024 | 2023 |
|--------------------------------------|-----------------|-------|-------|-------|
| Office paper | tonnes | 3.35 | 3.78 | 4.23 |
| Paper for statement of clients | tonnes | 1.00 | 0.54 | 0.59 |
| Total paper consumption | tonnes | 4.35 | 4.32 | 4.82 |
| Total paper consumption per employee | tonnes/employee | 0.013 | 0.012 | 0.012 |
| Recycling of paper | tonnes | 1.36 | 2.12 | 1.42 |
| FSC certified paper use (%) | % | 99 | 99 | 99 |

⁹ Includes paper used for printing paper for statement of clients, proposals and office documents.

5.5 Waste Management

Additionally, the Group strictly adhered to the Hong Kong Waste Disposal Ordinance during the Reporting Period. Regarding other non-hazardous waste, we promote waste reduction through resource recovery and sorting for recycling, including setting up dedicated recycling bins for plastic bottles and aluminum cans in office areas. The collected recyclable materials are then handed over to the building management office for central processing.

In 2025, the Group continued to cooperate with professional recycling suppliers to recycle office waste paper. For our performance in waste reduction practices, we were awarded the “Wastewise Certificate” by the Hong Kong Green Organization Certification (HKGOC), recognizing the Group’s contributions to waste reduction. Furthermore, we have set up dedicated waste paper recycling bins in all office areas to facilitate paper sorting and recycling by employees, effectively promoting waste resource utilization. The collected waste paper is regularly picked up and processed by the recycling supplier. At the same time, we make use of electronic communication technology whenever possible to transmit information, thereby reducing paper consumption. Printing devices are also set to default to double-sided printing and ink-saving mode. We actively promote the use of electronic office systems to replace paper-based administrative processes, further enhancing resource use efficiency and promoting sustainable development.

The Group’s business operations do not generate any hazardous waste. However, the use and disposal of information technology equipment, such as computers and servers, is another key focus in our pursuit of operational sustainability. Hardware has a range of potential environmental impacts across its life cycle from production and use to eventual disposal. To address this, we continue to extend the life cycle of IT equipment by donating idle devices to non-profit organizations. All equipment recycling or donation processes strictly comply with the Group’s data security management standards.

5.6 Regulating Company's Vehicle

We actively promote green travel, strictly comply with the Hong Kong Air Pollution Control Ordinance and the Motor Vehicle Idling (Fixed Penalty) Ordinance, and have formulated a vehicle management policy. We regularly maintain and inspect the company car to ensure it remains in optimal condition, reduce unnecessary fuel consumption, control emissions, and improve operational efficiency.

The Group’s emissions are the exhaust emissions of the company car, calculated using the emission factors outlined in Appendix C2 to the Hong Kong Listing Rules, the Environmental, Social and Governance Reporting Code. During the Reporting Period, the nitrogen oxides, sulfur oxides, and suspended particulates emissions were 13.61 kg, 0.02 kg, and 1.30 kg, respectively.

5.7 Addressing Climate Issues

Extreme weather events globally have become more frequent and intense due to climate change, and the resulting climate-related risks are driving significant changes across various sectors, including regulatory policies, technological developments, and industry practices, with profound and unignorable impacts on both the real economy and financial markets.

The Group is committed to reducing climate-related risks by actively decreasing greenhouse gas emissions and reducing the consumption of various energy resources and generation of waste, in order to mitigate the financial impacts of climate change, and integrate climate change response into corporate operations. In accordance with the climate-related disclosure requirements set out in Part D of the Code, the Group makes disclosures on a “comply or explain” basis. For data that is still reasonably difficult to obtain or cannot be measured by reliable methods during the Reporting Period, the Group adopts a “reasonable data exemption” to ensure that disclosures can be progressively improved year by year.

Governance

The Board of Directors is responsible for the overall leadership and supervision of ESG work, including approving the formulation and implementation progress of the Group’s overall ESG and climate strategies. The ESG Committee is responsible for the specific promotion and supervision of the implementation of ESG and climate-related work. The Risk Committee is tasked with regularly identifying and reviewing ESG-related risks, including climate-related risks and opportunities. The ESG Working Group assists with overall planning and cross-departmental coordination and, through existing operational management and internal control procedures, including relevant emergency management mechanisms, ensures that climate actions are implemented across all business units at the operational level. During the Reporting Period, we provided climate-related training for the directors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

Strategy

As investment and lending are the Group's two main businesses, the Group is less affected by physical risks. We will continue to monitor and assess the impact of climate change on the Group's financial position and have identified the following climate-related risks and opportunities during the Reporting Period, along with corresponding response measures.

| Climate Risks | Current and Anticipated Financial Effects* | Mitigation Measures |
|-----------------------|--|---|
| Physical Risks | <ul style="list-style-type: none"> Adverse impacts from frequent extreme weather events, such as typhoons and heavy rainfall. | <ul style="list-style-type: none"> Formulate work arrangements for periods when typhoon signals and heavy rain warnings are in force. |
| Policy Risks | <ul style="list-style-type: none"> With the introduction of new ESG reporting regulations by the Hong Kong Stock Exchange, higher disclosure requirements for greenhouse gas emissions, emission reduction measures, and the environmental impact of operations will increase compliance costs. | <ul style="list-style-type: none"> Allocate resources to ESG disclosures, including hiring third-party consultants to provide compliance advice. |
| Market Risks | <ul style="list-style-type: none"> Failure to accurately assess clients' climate change risks may adversely affect revenue. | <ul style="list-style-type: none"> Allocate resources to strengthen the analysis of clients' climate change risks. |

* The above are preliminary qualitative assessment results. In the future, we will combine capacity building and resource allocation to gradually improve the methods and data foundation for climate-related scenario analysis, enhancing the comparability and decision-making relevance of our assessments.

| Climate-related Opportunities | Potential Opportunity | Response Measures |
|-------------------------------|--|--|
| Green Finance | <ul style="list-style-type: none"> Green finance is an emerging and rapidly developing area of financial activities. In addition, the Hong Kong government has launched various measures to promote and encourage financial institutions to leverage Hong Kong's capital markets and financial and professional services for green and sustainable investment, financing and certification. | <ul style="list-style-type: none"> We will continue to place emphasis on green finance. The Group will continue to incorporate material ESG risk considerations into the decision-making process for investment, lending and other business activities, with increased emphasis on green and low-carbon industries. |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

Risk Management

The Group has formulated a risk management system, establishing a comprehensive risk management framework with clear division of responsibilities and the three lines of defense, covering the identification, assessment, monitoring and response of various risks to ensure the company's stable operations and controllable risks.

In accordance with internal risk management procedures, we have integrated climate risk management into the Group's risk management system. The Risk Committee is responsible for regularly reviewing and monitoring climate-related risks, and continuously improving corresponding measures through periodic reviews and dynamic adjustments.

Metrics and Targets

We are committed to regularly monitoring the Group's energy consumption, identifying areas for energy saving, and providing energy consumption reports to all departments to encourage emissions reduction.

The Group refers to the Greenhouse Gas Protocol published by the World Resources Institute and the World Business Council for Sustainable Development, as well as the ISO 14064-1 standard developed by the International Organization for Standardization, for conducting greenhouse gas inventories.

| GHG Emissions ^{10,11,12} | Unit | 2025 | 2024 | 2023 |
|---|---|--------|--------|--------|
| Direct GHG emissions (Scope 1) | tonnes of CO ₂ equivalent | 3.01 | 2.99 | 4.89 |
| Direct GHG emissions (Scope 2) ¹³ | tonnes of CO ₂ equivalent | 397.36 | 461.58 | 501.32 |
| Direct GHG emissions (Scope 3) | tonnes of CO ₂ equivalent | 14.36 | 11.65 | 16.33 |
| Total GHG emissions (Scope 1, 2 and 3) | tonnes of CO ₂ equivalent | 414.73 | 476.22 | 522.54 |
| Total GHG emissions (Scope 1, 2 and 3) per unit floor area | tonnes of CO ₂ equivalent/m ² | 0.105 | 0.113 | 0.122 |
| Total GHG emissions (Scope 1, 2 and 3) per employee (tonnes/employee) | tonnes of CO ₂ equivalent/employee ¹⁴ | 1.27 | 1.34 | 1.29 |

¹⁰ GHG emissions data is presented in carbon dioxide equivalent and was based on the reporting requirements of the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong issued by the Electrical and Mechanical Services Department and the Environment Protection Department.

¹¹ The operational control approach is applied to define the greenhouse gas emission accounting boundaries and a territory-based approach is applied for calculations.

¹² Due to the Group's business nature, the most significant airborne emissions are GHG emissions, arising mainly from the use of electricity and fuels derived from fossil fuels.

¹³ Reference of the calculation methods and relevant emission factors for direct GHG emissions (Scope 2): the 2024 Sustainability Report published by HK Electric Investments Limited.

¹⁴ Calculated based on the average number of employees of the Company in 2025.

Climate-related Targets

We have established clear directions for greenhouse gas emissions reduction and conducted a review during the year of the implementation progress of various environmental protection measures, confirming that the current environmental targets remain applicable. We will continue to plan subsequent initiatives. For further details regarding environmental targets, please refer to the section “Practicing Environmental Goals” in this chapter.

The Group has made disclosures in accordance with the climate-related disclosure requirements set out in Part D of Appendix C2 to the Listing Rules, and has adopted the “reasonable data exemption” under the “comply or explain” principle where applicable. For certain disclosure items that remain in the development stage of methodologies and data systems (such as scenario analysis, quantification of expected financial impacts, and the integration of climate factors into decision-making and incentive mechanisms), the Group has provided explanations and formulated enhancement plans, including the introduction of scenario analysis methodologies and the establishment of a financial impact quantification framework, in order to continuously improve the completeness and comparability of disclosures.

6. FULFILLING CORPORATE SOCIAL RESPONSIBILITY

In terms of community engagement, the Group actively fulfills its corporate social responsibility and is committed to conducting sustainable community investment by establishing community partnerships and supporting low-income families, among other initiatives. These social initiatives aim not only to assist those in need, but also to cultivate employees’ sense of care and commitment to the community. Looking ahead, we will continue to devote ourselves to charitable causes, supporting underprivileged groups while actively advancing the achievement of environmental protection goals.

In 2025, the Group focused on community welfare activities and partnered with the Hong Kong Family Welfare Society to organize a handicraft workshop for 10 children at HAWK ADVERTISING COMPANY LIMITED, located at 39 Battery Street, Yau Ma Tei. A total of four employees from the Group participated in the volunteer activity, contributing 2.5 hours to preparation work. During the event, the children personally created handwritten minibuss route signs, learning about the history of Hong Kong minibusses and gaining a deeper understanding of the stories behind them, thereby passing on this unique Hong Kong sentiment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

APPENDIX I: INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF THE HONG KONG STOCK EXCHANGE

| Description | | Section |
|---------------------------|---|---|
| A. Environmental | | |
| A1: | Emissions | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 5. Practicing Green Development Concepts |
| A1.1 | The types of emissions and respective emissions data. | 5.6 Regulating Company's Vehicle |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | The Group does not produce any hazardous waste from its operations. |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 5.4 Practicing a Paperless Office |
| A1.5 | Description of emissions target(s) set and steps taken to achieve them. | 5.1 Practicing Environmental Goals 5.7 Addressing Climate Issues |
| 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. | 5.4 Practicing a Paperless Office 5.5 Waste Management |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|---------------------------|--|--|
| A2: | Use of Resources | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | 5. Practicing Green Development Concepts |
| A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | 5.2 Focusing on Energy Management |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | In Hong Kong, the Group operates in leased office premises in which both the water supply and discharge are solely controlled by the building management offices which considers the provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible. |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | 5.1 Practicing Environmental Goals 5.2 Focusing on Energy Management |
| 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. | Not applicable to the Group's business |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Not applicable to the Group's business |
| A3: | Environment and Natural Resources | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | 5. Practicing Green Development Concepts |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 5. Practicing Green Development Concepts |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|-------------------------------------|---|---|
| B. Social | | |
| B1: Employment | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | 4. Growing Together with Employees |
| B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | 4. Growing Together with Employees |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | 4. Growing Together with Employees |
| B2: Health and Safety | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | 4.3 Strengthening the Safety Defense Line |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | 4.3 Strengthening the Safety Defense Line |
| B2.2 | Lost days due to work injury. | 4.3 Strengthening the Safety Defense Line |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | 4.3 Strengthening the Safety Defense Line |
| B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 4.4 Supporting Employee Growth |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | 4.4 Supporting Employee Growth |
| B3.2 | The average training hours completed per employee by gender and employee category. | 4.4 Supporting Employee Growth |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|---------------------------|--|--------------------------------|
| B4: | Labour Standards | |
| B4 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | 4.1 Employee Rights Protection |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | 4.1 Employee Rights Protection |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | 4.1 Employee Rights Protection |
| B5: | Supply Chain Management | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | 3.6 Sustainable Supply Chain |
| B5.1 | Number of suppliers by geographical region. | 3.6 Sustainable Supply Chain |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | 3.6 Sustainable Supply Chain |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | 3.6 Sustainable Supply Chain |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | 3.6 Sustainable Supply Chain |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|---------------------------|---|---|
| B6: | Product Responsibility | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | 3. Adherence to Concept of Compliant Operations |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | The Group does not manufacture and sell any physical products that may cause safety or health problems. |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | 3.1 Improving Customer Service |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | 3.3 Stable and Compliant Operations |
| B6.4 | Description of quality assurance process and recall procedures. | The Group does not produce and sell any physical products that can be recycled. |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | 3.1 Improving Customer Service |
| B7: | Anti-corruption | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | 3.4 Upholding the Anti-corruption Defense Line |
| 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. | 3.4 Upholding the Anti-corruption Defense Line |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | 3.4 Upholding the Anti-corruption Defense Line |
| B7.3 | Description of anti-corruption training provided to directors and staff. | 3.4 Upholding the Anti-corruption Defense Line |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|--|--|---|
| B8: | Community Investment | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | 6. Fulfilling Corporate Social Responsibility |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | 6. Fulfilling Corporate Social Responsibility |
| B8.2 | Resources contributed to the focus area. | 6. Fulfilling Corporate Social Responsibility |
| Part D: Climate-related Disclosures | | |
| (I) Governance | 19. An issuer shall disclose information about: <ul style="list-style-type: none"> (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities. | 5.7 Addressing Climate Issues |
| (II) Strategy | 20. Climate-related risks and opportunities An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. | |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|---------------|--|---|
| (II) Strategy | <p>21. Business model and value chain An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.</p> | <p>5.7 Addressing Climate Issues Defining the scope of the value chain: We applied the reasonable information relief because, as of the reporting date, we were unable to determine the scope of the value chain using all reasonable and verifiable information that could be obtained without incurring unnecessary costs or efforts.</p> |
| | <p>22. Strategy and decision-making An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.</p> | <p>5.7 Addressing Climate Issues</p> |
| | <p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p> | |

| Description | | Section |
|----------------------|--|---|
| <p>(II) Strategy</p> | <p>24. Financial position, financial performance and cash flows Current financial effect An issuer shall disclose qualitative and quantitative information about:</p> <ul style="list-style-type: none"> (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. | <p>5.7 Addressing Climate Issues Quantifying current and anticipated financial impacts: We applied the financial effects relief because we believed the methods for assessing these impacts are too uncertain, and the quantified information would not provide meaningful guidance.</p> |
| | <p>25. Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about:</p> <ul style="list-style-type: none"> (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration the following. (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. | <p>5.7 Addressing Climate Issues Preparation of disclosures on anticipated financial effects: We apply reasonable information relief because we will further assess the financial impacts of climate-related risks and opportunities in the future.</p> |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|------------------------------|--|--|
| (II) Strategy | <p>26. Climate resilience An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.</p> | <p>5.7 Addressing Climate Issues Using climate-related scenario analysis: We applied the reasonable information relief because we were unable to identify a method for climate-related scenario analysis that would allow us to incorporate all reasonable and verifiable information available as of the reporting date without incurring unnecessary costs or efforts.</p> |
| (III) Risk Management | <p>27. An issuer shall disclose information about:</p> <ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. | <p>5.7 Addressing Climate Issues</p> |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|---------------------------------|--|-------------------------------|
| (IV) Metrics and Targets | 28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. | 5.7 Addressing Climate Issues |
| | 29. An issuer shall: <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). | 5.7 Addressing Climate Issues |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|---|--|--|
| (IV) Metrics and Targets | <p>30. Climate-related transition risks An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p> | 5.7 Addressing Climate Issues |
| | <p>31. Climate-related physical risks An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p> | Calculating metrics (especially cross-industry metric categories): We applied the reasonable information relief because, as of the reporting date, we could not obtain all reasonable and verifiable information without incurring unnecessary costs or efforts. |
| | <p>32. Climate-related opportunities An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p> | 5.7 Addressing Climate Issues |
| | <p>33. Capital deployment An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p> | 5.7 Addressing Climate Issues |
| | <p>34. Internal carbon prices An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p> | 5.7 Addressing Climate Issues The Group did not apply carbon pricing in its decision-making. |
| <p>35. Remuneration An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p> | 5.7 Addressing Climate Issues The Group did not include climate-related factors in its remuneration policies. | |

| Description | | Section |
|--|--|--------------------------------------|
| <p>(IV) Metrics and Targets</p> | <p>36. Industry-based metrics An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p> | <p>5.7 Addressing Climate Issues</p> |
| | <p>37. Climate-related targets An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.</p> | |
| | <p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. | |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (Cont'd)

| Description | | Section |
|---------------------------------|--|---|
| (IV) Metrics and Targets | 39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. | 5.7 Addressing Climate Issues |
| | 40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39. | |
| | 41. Applicability of cross-industry metrics and industry-based metrics In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to (i) the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36). | 5.7 Addressing Climate Issues Calculating metrics (especially cross-industry metric categories): We applied the reasonable information relief because, as of the reporting date, we could not obtain all reasonable and verifiable information without incurring unnecessary costs or efforts. |

CORPORATE GOVERNANCE REPORT

To improve the Company's transparency and accountability to the shareholders, the Company is, so far as practicable, committed to maintaining high standard of corporate governance. The Company has adopted the principles and code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as the basis of the Company's corporate governance practices. The Company has met all applicable code provisions as set out in the Code for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRINCIPLES AND SWHYHK'S PRACTICES:

A.1 Corporate strategy, business model and culture

Principle: An issuer should be headed by an effective board which should assume responsibility for its leadership and control and be collectively responsible for promoting its success by directing and supervising its affairs. Directors should take decisions objectively in the best interests of the issuer.

The Company is committed to becoming an integrated financial services provider with market recognition and international competitiveness, which is underpinned by the core values of acting lawfully, ethically and responsibly to operate its business so as to generate sustainable long-term value for shareholders of the Company. To this end, the Company will maintain a high standard of corporate governance through lean management such as effective risk and compliance management, organization and system construction, and process optimization. The Company believes that good corporate governance is the core foundation of the Company's sound management, all Directors must act with integrity, lead by example, leading the management and all employees to adhere to the business philosophy of law-abiding, honest and responsible, to promote the steady development of the core businesses, and achieve a sustainable business culture.

A discussion and analysis of the Group's performance, the explanation of the basis on which the Company generates or preserves value over the longer term and the strategy for delivering the Company's objectives are set out in the section headed "Chairman's Statement" and "Management Discussion & Analysis of Performance" on pages 3 to 5 and pages 6 to 13 respectively in this annual report.

A.2 Corporate Governance Functions

Principle: The board is responsible for performing the corporate governance duties. It may delegate the responsibility to a committee or committees.

The board of directors (the "Board") of the Company has delegated the responsibility for performing corporate governance functions to the Audit Committee with the following duties:

- (1) to develop and review the Company's policies and practices on corporate governance which is related to internal audit matters and make recommendations to the Board;
- (2) to review and monitor the training and continuous professional development of directors and senior management;

CORPORATE GOVERNANCE REPORT (Cont'd)

- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (5) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

B.1 Board composition, succession and evaluation

Principle: The board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the issuer's business, and should ensure that the directors devote sufficient time and make contributions to the issuer that are commensurate with their role and board responsibilities. It should ensure that changes to its composition can be managed without undue disruption. It should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient calibre and number for their views to carry weight.

The Board of the Company currently consists eight Directors, of the Board of the Company with their respective names and titles are set out below:

Executive Directors

Wu Meng (*Chairman*)
Li Shouwei (*appointed on 15 October 2025*)
Liang Jun (*Chief Executive Officer*)

Non-executive Director

Zhang Lei
Zhang Ying (*appointed on 31 July 2025*)

Independent Non-executive Directors

Kwok Lam Kwong Larry
Liu Chijin
Chiu Lai Kuen Susanna (*appointed on 11 April 2025*)

All directors were expressly identified by categories of executive directors, non-executive directors and independent non-executive directors in all corporate communications that disclose the names of directors of the Company.

An updated list of the directors of the Company identifying their roles and function and whether they are independent non-executive directors is maintained on the websites of the Hong Kong Exchanges and Clearing Limited ("HKEx") and the Company.

During the financial year, each of Ms. Chiu Lai Kuen Susanna, who was appointed as an independent non-executive director on 11 April 2025, Ms. Zhang Ying, who was appointed as a non-executive director on 31 July 2025 and Mr. Li Shouwei, who was appointed as an executive director on 15 October 2025, has obtained the legal advice referred to under Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to him/her as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange and, he/she has confirmed that he/she understood his/her obligations as a Director.

To the best knowledge of the directors, none of the directors has any financial, business, family or other material/relevant relationship with each other.

During the financial year, the number of independent non-executive directors of the Company was less than the requirement of at least three independent non-executive directors in the board of directors and independent non-executive directors representing at least one-third of the board of directors under the Rule 3.10(1) and 3.10A of the Listing Rules, respectively. The Company applied to the Stock Exchange for grace period of a one-off waiver from strict compliance with Rules 3.10(1) and 3.10A of the Listing Rules until 11 April 2025. On 17 March 2025, the Stock Exchange granted the waiver and an extension of time to 11 April 2025, subject to the disclosure of the details and reasons for the waiver by way of an announcement. The Company has complied with the requirements of Rules 3.10(1) and 3.10A of the Listing Rules immediately after the appointment of Ms. Chiu Lai Kuen Susanna as an independent non-executive director of the Company on 11 April 2025. For details, please refer to the Company's announcements dated 27 March 2025 and 11 April 2025. Although the Company failed to appoint at least three independent non-executive directors, with one-third of members in the Board being independent non-executive directors, the Company had in place a mechanism which remain effective to ensure independent opinions and advice are available to the Board, as set out below:

1. Independent non-executive directors will be appointed to Board Committees as required under the Listing Rules and as far as practicable to ensure independent views and input are available.
2. The Chairman of the Board shall hold an annual meeting with all independent non-executive directors without the presence of other directors to listen independent views on various issues concerning the Group.
3. Each independent non-executive director is required to confirm in writing to The Stock Exchange of Hong Kong Limited his independence upon his appointment and to the Company on annual basis with reference to the criteria under rule 3.13 of the Listing Rules, and the Nomination Committee is delegated to assess the annual independence confirmation received from each independent non-executive director to ensure that they remain independent, objective and free from any interference when exercising their judgement.
4. Each director is required to provide to the Company an annual written confirmation of time commitment as well as the directorship and major commitments held in public companies or organisations for assessment.
5. A director (including independent non-executive director) who has a material interest in any transaction, contract or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.
6. All directors are entitled to seek independent professional advice in appropriate circumstances, at the Company's expenses.

B.2 Appointments, re-election and removal

Principle: There should be a formal, considered and transparent procedure for the appointment of new directors. There should be plans in place for orderly succession for appointments. All directors should be subject to re-election at regular intervals. An issuer must explain the reasons for the resignation or removal of any director.

CORPORATE GOVERNANCE REPORT (Cont'd)

According to the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then number nearest to but not less than one-third, shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. Further, any director newly appointed by the Board shall hold office only until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Nomination Committee will make recommendation to the Board on such matter (see B.3 below). The director so appointed, however, shall retire and eligible to be re-elected in the coming annual general meeting. In addition, shareholder can also propose a candidate for election as director at a general meeting in accordance with the Articles of Association of the Company. The nomination procedures by shareholders are published on the website of the Company. All successful candidates must possess the necessary skills, knowledge and experience which can help the Board to direct the Company's business. In addition, all candidates must be able to meet the criteria stipulated in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. To further enhance accountability, any further appointment of an independent non-executive director who has served the Board for more than 9 years will be subject to a separate resolution to be approved by shareholders.

Details of the candidates standing for re-election as directors are set out in the annual general meeting circular to shareholders.

B.3 Nomination Committee

Principle: In carrying out its responsibilities, the nomination committee should give adequate consideration to the Principles under B.1 and B.2.

The Nomination Committee of the Company was established in March 2012. The functions of the Nomination Committee are mainly to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspective) of the Board at least annually, to assist the Board in maintaining a Board skills matrix, to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, to assess the independence of independent non-executive directors, to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors as well as to monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy, as appropriate. Details of terms of reference of the Nomination Committee are published on the websites of HKEx and the Company.

The Nomination Committee was provided with sufficient resources to perform its duties and it can seek independent professional advice at the Company's expense if necessary.

The Nomination Committee comprises the Chairman of the Company, Ms. Wu Meng, and three independent non-executive directors, namely Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna. Ms. Wu Meng acts as the chairman of the Nomination Committee.

CORPORATE GOVERNANCE REPORT (Cont'd)

The Nomination Committee held one meeting on 28 March 2025 in the financial year ended 31 December 2025. The following is an attendance record of the meeting held by the Nomination Committee for the financial year:

| Name of Committee Members | Number of meeting(s) attended/held |
|---|---|
| Wu Meng (<i>Chairman</i>) | 1/1 |
| Kwok Lam Kwong Larry | 1/1 |
| Liu Chijin | 1/1 |
| Ms. Chiu Lai Kuen Susanna (<i>appointed on 11 April 2025</i>) | Not applicable |

During the financial year, the Nomination Committee reviewed the structure, size and composition and diversity of the Board; assessed the independence of each independent non-executive director; and made recommendation to the Board on the re-election of the retiring directors at the 2025 annual general meeting. In addition, the Nomination Committee has resolved by way of written resolutions on 27 March 2025 to make recommendation to the Board to convene an extraordinary general meeting to appoint Ms. Chiu Lai Kuen Susanna as independent non-executive director of the Company, on 25 June 2025 to make recommendation to the Board to convene an extraordinary general meeting to appoint Ms. Zhang Ying as non-executive director of the Company, on 10 September 2025 to make recommendation to the Board to convene an extraordinary general meeting to appoint Mr. Li Shouwei as executive director of the Company, and on 23 December 2025 to make recommendation to the Board to update the terms of reference of Nomination Committee.

The Nomination Committee considered that the current composition and size of the Board is appropriate for the time being, and considered that it has a balanced diversity.

The Company adopted the Board Diversity Policy which sets out the approach to achieve diversity on the Board. When determining the composition of the Board, it will take into consideration a number of factors, including but not limited to, skills, knowledge, professional experience, gender, age, cultural and educational background, and other qualities of Directors. All Board appointments will be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Nomination Committee will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

During the year, the Nomination Committee reviewed the diversity of the Board composition and considered that the Directors of the Company have diverse perspectives, educational background and professional knowledge, and the expertise and experience in the securities, finance, corporate finance, accounting and legal industries, all of which are relevant to the Company's business and will contribute to diversity of the Board appropriate to the requirements of the Company's business.

The Company values the diversity of the company personnel, and sees leveraging knowledge, expertise and experience from people of different backgrounds essential to bring in synergies in achieving business success and sustainable corporate development.

CORPORATE GOVERNANCE REPORT (Cont'd)

We strived to embrace gender balance across all levels in our workforce from board members, senior management to general staff. Ms. Wu Meng has been the first female Chairman of the Board of the Company since October 2021, marking the Company's new direction towards gender diversity. Subsequent to Ms. Wu's appointment, Ms. Yu Lili took up the position as a member of Management Committee in the same year. Furthermore, with effect from 9 August 2024, the chairman of the Management Committee has been changed from Mr. Liang Jun, the executive director and Chief Executive Officer of the Company, to Ms. Wu Meng. The Management Committee of seven senior management staffs. On 11 April 2025, the Company appointed Ms. Chiu Lai Kuen Susanna as an independent non-executive director of the Company, chairman of the Audit Committee and the Risk Committee, and the member of the Remuneration Committee, the Nominating Committee and the ESG Committee. The Company is making ongoing effort to improve gender diversity and will continue to factor in such criteria as inclusion of various educational backgrounds, genders and ages, etc. in the nomination and selection of Board members. As a result of the Company's continued initiative to promote workforce diversity through our hiring strategies, as at 31 December 2025, the Company maintained quite a balanced ratio of male to female workforce of 48: 52.

In addition, the Company also adopted the Director Nomination Policy which sets out the key selection criteria and procedures of the Nomination Committee in making any recommendations to the Board on the appointment or re-appointment of directors and succession planning of directors with a view to ensuring that the Board maintains a balance of skills, experience and diversity of perspective appropriate to the requirement of the Company's business. In assessing the suitability of a proposed candidate, the Nomination Committee will consider a number of factors which include the proposed candidate's integrity, skills, experience and diversity of perspective, time commitment, and independence. The Director Nomination Policy also lays down the following nomination procedures for (i) appointment of new or replacement Director; (ii) re-election of Director at general meeting; and (iii) nomination of new director by shareholders.

C.1 Responsibilities of directors

Principle: Every director must understand, and, at all times, be aware of their responsibilities as a director of an issuer and its conduct, business activities and development. Given the essential unitary nature of the board, non-executive directors have the same duties of care and skill and fiduciary duties as executive directors. To ensure directors' contribution to the board remains informed and relevant, all directors must participate in continuous professional development to develop and refresh their knowledge and skills for a proper understanding of the issuer's business, operations and governance policies and full awareness of their responsibilities under statute and common law, the Exchange Listing Rules, legal and other regulatory requirements. Directors should provide a record of the continuous professional development they received to the issuer.

Every newly appointed director of the Company shall receive guidance materials from the Company Secretary upon his appointment so as to enable the director having a proper understanding of the Company's operations and business and to ensure him to be fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements and the Company's business and governance policies. A director can also request the Company Secretary to arrange him to attend any relevant course and seminar.

The functions of non-executive directors have included the functions as specified in Code Provision C.1.2(a) to (d).

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 of the Listing Rules as its own code of conduct for dealings in securities of the Company by the directors or relevant employees as defined in the Model Code. The Company made specific enquiry of all directors. According to their replies, all the directors complied with the requirements set out in the Model Code during the financial year ended 31 December 2025. The Company also complied with the other requirements stipulated in the Model Code.

CORPORATE GOVERNANCE REPORT (Cont'd)

Directors confirmed that they have complied with the requirements of continuous professional development training of directors. During the year, the directors have participated in continuous professional development training by the following means to develop and refresh their knowledge and skills and provided a record of continuous professional training to the Company.

| Name of Directors | Subject 1 ^(Note 1) How to participate ^(Note 2) and training hours | Subject 2 ^(Note 1) How to participate ^(Note 2) and training hours | Subject 3 ^(Note 1) How to participate ^(Note 2) and training hours | Subject 4 ^(Note 1) How to participate ^(Note 2) and training hours | Subject 5 ^(Note 1) How to participate ^(Note 2) and training hours | Total training hours |
|--|---|---|---|---|---|-------------------------|
| Executive Directors | | | | | | |
| Wu Meng (<i>Chairman</i>) | E, 2 hours | E, 2 hours | E, 5 hours | E, 5 hours | E, 3 hours | 17 hours |
| Tan Weijun (<i>resigned on 22 September 2025</i>) | – | – | E, 5 hours | – | – | 5 hours |
| Li Shouwei (<i>appointed on 15 October 2025</i>) | – | – | E, 5 hours | – | – | 5 hours |
| Liang Jun (<i>Chief Executive Officer</i>) | A, 2 hours and E, 2 hours | A, 2 hours and E, 2 hours | A, 4 hours and E, 5 hours | A, 4 hours and E, 5 hours | A, 4 hours and E, 3 hours | 33 hours |
| Hu Jing (<i>resigned on 13 March 2026</i>) | E, 2 hours | E, 2 hours | E, 5 hours | E, 5 hours | E, 3 hours | 17 hours |
| Non-executive Directors | | | | | | |
| Zhang Lei | A, 20 hours and E, 2 hours | E, 2 hours | A, 29 hours and E, 5 hours | E, 5 hours | A, 5 hours and E, 3 hours | 71 hours |
| Zhang Ying (<i>appointed on 31 July 2025</i>) | E, 2 hours | E, 2 hours | E, 5 hours | E, 5 hours | E, 3 hours | 17 hours |
| Independent Non-executive Directors | | | | | | |
| Kwok Lam Kwong Larry | A, 6 hours and E, 2.5 hours | A, 10 hours and E, 4.5 hours | A, 12 hours and E, 5.5 hours | A, 8.5 hours and E, 5.5 hours | A, 2 hours and E, 3 hours | 59.5 hours |
| Liu Chijin | E, 2 hours | E, 2 hours | E, 5 hours | E, 5 hours | A, 2.5 hours, C, 2 hours and E, 3 hours | 21.5 hours |
| Chiu Lai Kuen Susanna (<i>appointed on 11 April 2025</i>) | E, 2 hours | E, 2 hours | A, 2 hours and E, 5 hours | E, 5 hours | E, 3 hours | 19 hours |

Notes:

1. Subject 1: Role, functions and responsibilities of the Board, committees under the Board and Directors, as well as the effectiveness of the Board;

Subject 2: Issuer's responsibilities and duties as directors under the law of Hong Kong and the Listing Rules, and development of key laws and regulations in relation to fulfillment of such responsibilities and duties, including updates of the Listing Rules;

Subject 3: Matters regarding corporate governance and environmental, social and governance, including development of sustainability relating to issuer and its business or climate-related risks and opportunities;

Subject 4: Risk management and internal control; and

Subject 5: Specific industry development and updates on business trends and strategies in relevant to issuer.
2. A Attending classes and/or seminars and/or forums
B Attending in-house briefings
C Giving talks at classes and/or seminars and/or forums
D Attending training relevant to the Company's business conducted by lawyers
E Reading materials and/or participate in activities relevant to the Company's business or to the directors' duties and responsibilities

Each director is aware that he should give sufficient time and attention to the affairs of the Company. Upon reviewing (i) the annual confirmation of time commitment given by each director as well as the directorship and major commitments of each director held in public companies or organisations; and (ii) the attendance rate of each director on board meetings and committee meetings, it is satisfied that all directors have spent sufficient time in performing their responsibilities during the year.

The Company has arranged appropriate insurance cover in respect of legal actions against its directors. The coverage and the amount insured under such policy are reviewed annually by the Company.

C.2 Chairman and Chief Executive

Principle: There are two key aspects of the management of every issuer – the management of the board and the day-to-day management of business. There should be a clear division of these responsibilities to ensure a balance of power and authority, so that power is not concentrated in any one individual.

CORPORATE GOVERNANCE REPORT (Cont'd)

To ensure a balance of power and authority, the role of Chairman is separate from that of Chief Executive Officer. Ms. Wu Meng acts as the Chairman and Mr. Liang Jun acts as the Chief Executive Officer.

The respective responsibilities of the Chairman and Chief Executive Officer are clearly established. The Chairman is responsible for providing leadership for and the management of the Board whilst the Chief Executive Officer is responsible for the day-to-day management of the Group's business including the implementation of significant strategies formulated by the Board. As disclosed in the announcement of the Company dated 9 August 2024, with effect from that date, the Chairman of the Management Committee was changed from Mr. Liang Jun, executive director and Chief Executive Officer of the Company, to Ms. Wu Meng, Chairman of the Board and executive director of the Company, with Mr. Liang Jun was redesigned as deputy chairman of the Management Committee. The Board is of the view that appointment of Ms. Wu to be the chairman of the Management Committee is in the best interests of the Company and its shareholders ensuring continuity of the Company's leadership and efficiency in formulation and execution of business strategies of the Group, and the Board is still adequate balance of power and authority in place.

The Chairman ensured that all directors were properly briefed on issues arising at board meetings.

The Chairman is responsible for ensuring that directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable.

The Chairman ensured that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The Chief Executive Officer and Company Secretary assisted the Chairman in preparing agenda for each board meeting and all directors have been consulted about any matters proposed for inclusion in the agenda.

The Chairman ensured that the Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

Directors are encouraged to express their viewpoints to the Board's affairs and voice their concerns, if any, and are provided sufficient time for discussion of issues in the meetings and the Chairman directs discussions towards the emergence of a consensus view and then sum up discussions so that all directors understand what has been agreed.

During the financial year ended 31 December 2025, the Chairman held a meeting with the independent non-executive directors without the presence of other directors.

The Chairman ensured that appropriate steps are taken to provide effective communication with shareholders and that their views were communicated to the Board as a whole. The Board has established a shareholders communication policy which is available on the Company's website.

C.3 Management functions

Principle: An issuer should have a formal schedule of matters specifically reserved for board approval. The board should give clear directions to management on the matters that must be approved by it before decisions are made on the issuer's behalf.

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Company whilst managing the Company's day-to-day business is the responsibility of the management.

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

Directors are clearly understood delegation arrangements in place. The Company has issued formal letter of appointment to each director (including non-executive director and independent non-executive director) setting out the key terms and conditions of the appointment.

Matters reserved to be approved by the Board approval include:

- (1) Proposal for selection of external auditors;
- (2) Financial statements and budgets; and
- (3) Formation of board committees.

C.4 Board Committees

Principle: Board committees should be formed with specific written terms of reference which deal clearly with their authority and duties.

Where board committees are established to deal with matters, the Board shall give them sufficiently clear terms of reference to enable them to perform their functions properly.

Apart from the Audit Committee (particulars are disclosed under D.3), Remuneration Committee (particulars are disclosed under E.1), Nomination Committee (particulars are disclosed under B.3) and Risk Committee (particulars are disclosed under D.2), the Board also established a Management Committee. The Management Committee consists of Chairman of the Board, Chief Executive Officer, deputy general manager(s), Financial Principal and Chief Risk Officer. The Management Committee will meet from time to time for making policy(ies) relating to the Company's day-to-day management and business. In addition, Risk Committee established a Risk Management Committee with specific terms of reference. Risk Management Committee consists of Chief Executive Officer, Chief Risk Officer, Financial Principal, Head of Compliance, and heads of the respective business segments. The Risk Management Committee usually meets quarterly and is responsible for co-ordinating, facilitating important business management related matters and risk management activities.

CORPORATE GOVERNANCE REPORT (Cont'd)

In addition, the Environmental, Social and Governance (“ESG”) Committee was established by the Board on 19 March 2021 to assist the Board in overseeing the Group’s ESG-related matters. Up to the date of this report, the ESG Committee is composed of two executive directors, being Ms. Wu Meng and Mr. Liang Jun, and three independent non-executive directors, being Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna. Ms. Wu Meng acts as the chairman of the ESG Committee.

The ESG Committee held one meeting in the financial year ended 31 December 2025. The following is an attendance record of the meeting held by the ESG Committee for the financial year:

| Name of Committee Members | Number of meeting(s) attended/held |
|---|---|
| Wu Meng (<i>Chairman</i>) | 1/1 |
| Liang Jun | 1/1 |
| Hu Jing (<i>resigned on 13 March 2026</i>) | 1/1 |
| Kwok Lam Kwong Larry | 1/1 |
| Liu Chijin | 1/1 |
| Chiu Lai Kuen Susanna (<i>appointed on 11 April 2025</i>) | Not applicable |

During the financial year, the ESG Committee reviewed the ESG performance of the Group for 2023; reviewed and recommended the Board’s approval of the ESG report for 2024; reviewed and recommended the Board’s approval of a proposed mid-term (2022-2025) emission reduction and energy savings targets for the Group (“2022-2025 Reduction Targets”).

For further details of the Group’s ESG-related matters, please refer pages 14 to 49 to the ESG report of this annual report.

The Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Committee and the ESG Committee are required to report back to the Board on their decisions and recommendations. Material matters will be reported to the Board by the other board committees according to their respective terms of reference.

CORPORATE GOVERNANCE REPORT (Cont'd)

C.5 Conduct of board proceedings and supply of and access to information

Principle: The issuer should ensure directors can participate in board proceedings in a meaningful and effective manner. Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.

For the year ended 31 December 2025, four board meetings and five general meetings, being the annual general meeting held on 23 May 2025 and the extraordinary general meetings held on 11 April 2025, 31 July 2025, 1 September 2025 and 15 October 2025, were held by the Company. Attendance record of each individual director is as follows:

| Name of Directors | Number of board meeting(s) attended/held | Number of general meeting(s) attended/held |
|---|---|---|
| Executive Directors | | |
| Wu Meng (<i>Chairman</i>) | 4/4 | 5/5 |
| Tan Weijun (<i>resigned on 22 September 2025</i>) | 3/3 | 3/4 |
| Li Shouwei (<i>appointed on 15 October 2025</i>) | 1/1 | Not applicable |
| Liang Jun (<i>Chief Executive Officer</i>) | 4/4 | 5/5 |
| Hu Jing (<i>Chief Risk Officer</i>) (<i>resigned on 13 March 2026</i>) | 3/4 | 5/5 |
| Non-executive Directors | | |
| Zhang Lei | 3/4 | 1/5 |
| Zhang Ying (<i>appointed on 31 July 2025</i>) | 2/2 | 2/2 |
| Independent Non-executive Directors | | |
| Kwok Lam Kwong Larry | 4/4 | 5/5 |
| Liu Chijin | 3/4 | 2/5 |
| Chiu Lai Kuen Susanna (<i>appointed on 11 April 2025</i>) | 3/3 | 3/4 |

Drafts of the agenda were sent to directors for comments before the meetings were held. They could include matters in the agenda for board meetings.

Notice of at least 14 days were given of a regular board meeting to give all directors an opportunity to attend. For all other board meetings, reasonable notice was given.

Minutes of the board meetings, and meetings of the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Committee and Environmental, Social and Governance Committee are kept by the Company Secretary. Minutes of other board committees (as listed under C.5.4 Board Committees) are kept by the appointed Secretary of each committee. Such minutes are open for inspection during office hour by any director by giving at least 2 days' notice to the Company Secretary.

CORPORATE GOVERNANCE REPORT (Cont'd)

Minutes of the board meetings and meetings of board committees have recorded in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes were sent to all directors for their comment and records respectively, normally within one month after the board meeting was held.

The Company established a policy for any director to seek independent professional advice in appropriate circumstances, at the Company's expenses. The director is required to submit a request in writing to the Chairman stating the grounds for seeking the independent professional advice. The Chairman shall either approve the director's request directly, or if thinks fit, convene a board meeting to resolve the matter.

If a substantial shareholder or 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 matter shall be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting.

For regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers were sent in full to all directors in a timely manner and at least 3 days before the intended date of a board meeting and board committee meeting.

As mentioned in C.3 above, there are matters reserved to be approved by the Board. Management is aware of the obligation to supply the Board and its committees with adequate information, in a timely manner, to enable it to make informed decisions. The information supplied must be complete and reliable. The Board and individual directors have separate and independent access to the Company's senior management.

All directors are entitled to have access to board papers, minutes and related materials.

C.6 Company Secretary

Principle: The company secretary plays an important role in supporting the board by ensuring good information flow within the board and that board policy and procedures are followed. The company secretary is responsible for advising the board through the chairman and/or the chief executive on governance matters and should also facilitate induction and professional development of directors.

Mr. Cheung Kai Cheong Willie has resigned as the Company Secretary of the Company on 5 August 2025, and Ms. Lin Sio Ngo, a manager of SWCS Corporate Services Group (Hong Kong) Limited, has been appointed as the Company Secretary of the Company on 5 August 2025. Ms. Lin Sio Ngo has over 20 years of experience in corporate secretarial and administration management areas. Ms. Lin Sio Ngo is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Lin Sio Ngo holds a bachelor's degree in business administration and a master's degree in corporate governance from Hong Kong Metropolitan University. The main contact person at the Company for Ms. Lin Sio Ngo is Mr. Liang Jun, executive director and the Chief Executive Officer of the Company.

The appointment and removal of the Company Secretary is subject to the Board approval in accordance with the Articles of Association of the Company. Directors have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable rules and regulations, are followed.

The Company Secretary has taken no less than 15 hours of relevant professional training for the year ended 31 December 2025 in compliance with Rule 3.29 of the Listing Rules.

D.1 Financial reporting

Principle: The board should present a balanced, clear and comprehensible assessment of the company's performance, position and prospects.

Management provided sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval.

Management provided all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

Directors have acknowledged their responsibility for preparing accounts of the Company.

A statement by the external auditors about their reporting responsibilities is included in the Independent Auditor's Report.

The Board presented a balanced, clear and understandable assessment of the Company in annual and interim reports and other financial disclosures required by the Listing Rules, and also for the reports to regulators and information disclosed under statutory requirements.

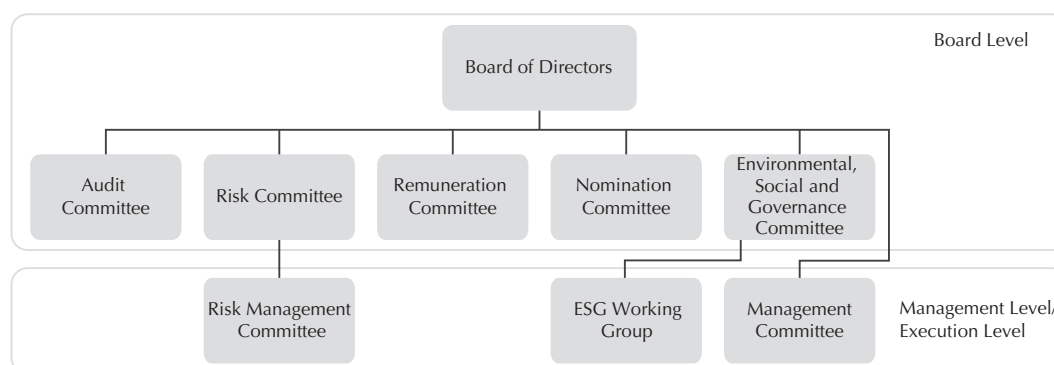
D.2 Risk management and internal control

Principle: The board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the issuer's strategic objectives. Such risks would include, amongst others, material risks relating to ESG (please refer to the ESG Reporting Code in Appendix C2 to the Exchange Listing Rules for further information).

The board is responsible for ensuring that the issuer establishes and maintains appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the issuer's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the issuer's financial reports and achieving compliance with applicable laws and regulations. The board should oversee management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. The board is also responsible for ensuring that the effectiveness of the issuer's and its subsidiaries' risk management and internal control systems is reviewed at least annually, and management should provide a confirmation to the board on the effectiveness of these systems.

(a) Group's Risk Governance Structure

The Group's risk governance structure is shown as follows:



(b) Three Lines of Defence Model

The Group has adopted a “three lines of defence” model to establish an effective risk management and internal control systems:

First line of defence — Risk management (All business departments)

Each of the Group's departments has the primary responsibility of managing its business risk, and serves as the first line of defence for the risk management and internal control systems. Its major risk management measures include:

- Implements the Group's established policies, procedures and guidelines, as well as laws, regulations and industry practices, ensuring proper controls are in place.
- Implements the “Whistle blowing Policy” to ensure employees are able to report any suspected wrongdoings or improprieties through appropriate and established procedures.

- In 2025, the Group has carried out multiple special researches, investigations, self-examination, feedback rectifications and other works, and most of the rectification measures were completed and/or are in the progress, with relevant development being regularly submitted. Generally, based on risk events occurred and the inspection, research efforts and implementation of rectification measures specific to risk management in 2025, risks that the Group exposed to are substantially under control, with existing control measures being operated well.

Second line of defence — Risk control (Middle and back office departments particularly including Risk Management, Compliance and Legal)

Middle and back office departments particularly including Risk Management, Compliance and Legal form the second line of defence for the risk management and internal control systems. These departments are independent of the business units and perform the following major risk control duties:

- Assist the management in formulating the Group's policies, procedures, guidelines, risk management principles and risk tolerance levels, and revise them in response to any changes in laws, regulations, industry practices or other internal and external factors.
- Provide advisory services, guidance and training for all staff on risk management.
- Assist in regulatory authorities' investigations and enquiries.
- Maintain the list of the Group's key business processes, along with corresponding risks and relevant internal control measures, which facilitates departmental ongoing assessment and compilation of risk based internal audit plan.
- Maintain the comprehensive set of key risk indications with reporting thresholds which clearly defines the reporting mechanism. When a trigger event arises, the incident will be reported to the respective level of management according to the pre-defined threshold, and where appropriate, remedial actions will be taken. This facilitates departments' defining roles and responsibilities, and strengthening their controls and accountability.
- In 2025, there were two incidents of reporting the risk management and internal controls related matters (except those related to financial controls and reporting, which are within the terms of reference of Audit Committee) to the Risk Committee, which in turn reported to the Board accordingly.

CORPORATE GOVERNANCE REPORT (Cont'd)

Third line of defence — Independent risk assurance (Internal Audit Department)

- Internal Audit Department serves as the third line of defence for the risk management and internal control systems. It conducts systemic review of the Group's risk management and internal control systems independently on a regular basis. The Internal Audit Department's role as the third line of defence is independent of the first and second lines of defence, and is responsible for monitoring their compliance with policies and procedures. The Internal Audit Department reports directly to the Audit Committee at least semi-annually, and reports regularly to the Board through the Audit Committee.
- Internal Audit Department conducts independent review of the design and implementation of the Group's internal controls on a regular basis.
- In 2025, there were two incidents of reporting the risk management and internal controls related matters to the Audit Committee, which in turn reported to the Board accordingly.

(c) *Audit Committee*

The Audit Committee is delegated by the Board with the responsibilities to monitor the Group's overall management and effectiveness, and to advise the Board accordingly.

On behalf of the Board, the Audit Committee carries out regular review on business processes and operations, considers findings on major risk management and internal control related matters and the management's response to these findings. The Audit Committee also reviews financial controls and reporting related risk management and internal control systems of the Group with the management to ensure that the management has performed its duty to put in place an effective system.

In addition, the Audit Committee reviews and monitors the effectiveness of the function of the Internal Audit Department, ensures it is adequately resourced and has appropriate status within the Group. For the external auditor, the Audit Committee reviews and monitors the external auditor's independency and objectivity and the effectiveness of their audit in accordance with applicable standards. The Audit Committee also discusses the nature and scope of the audit and reporting obligations with the external auditor before the commencement of the audit. External auditor also reports their audit findings and the internal control matters identified during the audit to the Audit Committee. After a detailed review of the effectiveness of the Group's internal control systems, the Audit Committee will report their findings to the Board.

The Audit Committee is currently composed of three independent non-executive directors; it has held two meetings in the financial year ended 31 December 2025. List of the Audit Committee members and the attendance record of the meeting held by the Audit Committee are set out in D.3 below.

CORPORATE GOVERNANCE REPORT (Cont'd)

(d) Internal Audit Department

The Group has an independent Internal Audit Department to support the Board to monitor the Group's corporate governance compliance and to ensure a sound and effective internal control system is established. The Internal Audit Department independently evaluates and reviews departments' compliance with the policies, procedures and guidelines of the Group, as well as the applicable rules and regulatory requirements.

In addition, the Internal Audit Department also carries out specific audits on particular areas as directed by the Audit Committee. During the audit, the Internal Audit Department will assess the suitability and effectiveness of the Group's current operational processes and internal control systems. If weaknesses are identified, the Internal Audit Department will provide recommendations to the relevant departments, monitor the remediation progress, and report to the Audit Committee on the key findings and the rectification status on a regular basis.

(e) Risk Committee

Risk Committee is delegated by the Board, responsible for reviewing the risk management and internal control systems (except those related to financial controls and reporting, which are within Audit Committee's scope), ensuring that management has discharged its duties, has effective systems in place, and reviewing the risk principles and risk tolerance levels as proposed by Risk Management Committee, etc. The Risk Committee is also responsible for identifying and reviewing the ESG-related risks. Please also refer to the ESG report of this annual report for more details. The detailed terms of reference of Risk Committee are published on the websites of the HKEx and the Company.

As at 31 December 2025, the Risk Committee is composed of three independent non-executive directors and three executive directors: the independent non-executive directors are Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna; the executive directors are Mr. Li Shouwei, Mr. Liang Jun and Mr. Hu Jing. Ms. Chiu Lai Kuen Susanna acts as the chairman of the Risk Committee.

The Risk Committee held two meetings in the financial year ended 31 December 2025. The following is an attendance record of the meeting held by the Risk Committee for the financial year:

| Name of Committee Members | Number of meeting(s) attended/held |
|---|---|
| Chiu Lai Kuen Susanna (<i>Chairman</i>) (<i>appointed on 11 April 2025</i>) | 1/1 |
| Tan Weijun (<i>resigned on 22 September 2025</i>) | 2/2 |
| Li Shouwei (<i>appointed on 15 October 2025</i>) | Not applicable |
| Liang Jun | 2/2 |
| Hu Jing (<i>resigned on 13 March 2026</i>) | 1/2 |
| Kwok Lam Kwong Larry | 2/2 |
| Liu Chijin | 1/2 |

CORPORATE GOVERNANCE REPORT (Cont'd)

A summary of the work performed by the Risk Committee during the financial year is listed below:

- (1) reviewed the implementation of the Group' risk management and internal control systems (except those related to financial controls and reporting, which are within the terms of reference of Audit Committee); and
- (2) discharged its responsibilities related to risk management and internal control system, as delegated by the Board.

(f) Risk Management Committee

Risk Management Committee is established under Risk Committee to coordinate, facilitate and manage important executive matters and risk management activities.

Risk Management Committee's major responsibilities include formulation of risk strategies, risk management infrastructure and risk policies; planning for a comprehensive risk management system and implementation of risk governance activities; recommendation of risk tolerance levels to Risk Committee and the Board as well as implementation upon their approval, and review and approval of risk policies, risk limits and key risk indicators; and assessment of the impacts of and provision of guidance on risks and risk events reported to the Committee, etc.

(g) Risk Management Department

The Group has established a Risk Management Department, which is independent of business departments, for management of the overall risk governance, setting up the overall risk management framework, and promoting risk management in the Group.

Risk Management Department formulates risk management basics, including the organisational structure, management framework, risk tolerance levels and related policies; provides business departments with guidance and assistance in identification, assessment, monitoring and reporting of risks arising from the usual course of business; and provides business departments with advisory services, including the risk assessments on new products, etc.

(h) Group's Key Risk and Management Measures

The Group upholds the philosophy of prudent operation, it strives to strengthen the existing businesses on one hand and continues to accelerate business transformation, provide diversified financial products one-stop financial services, and to gradually establish a global trading as investing and financing services network on the other, so as to command trust from shareholders, clients, regulators, business partners, other investors, as well as all employees. Based on the subjective and objective conditions of the regulatory environment, financial resources, business environment, operating model, etc., the Group determines the Risk Tolerances of the six major risk categories in these areas which serves as the foundation of risk management.

(1) Compliance Risk and Legal Risk

Compliance Risk refers to the risk of the Group suffering from any financial or non-financial loss as a result of being advised, warned, reprimanded, fined, etc or even prosecuted by the government or any regulatory authority due to violating or breaching the laws, rules or industry practices ranging from business related areas to financial crime and general ordinances.

Legal risk refers to the risk of the Group suffering from any financial or non-financial loss as a result of being involved in a legal dispute or litigation, no matter whether or not it is triggered by a compliance risk event.

The regulated activities of the Group, including brokerage business, corporate finance business, asset management business and securities research business, has developed relevant compliance policies and procedures in accordance with applicable laws, regulations, industry practices (such as codes and guidelines). These include due diligence on clients, anti-money laundering checking, client suitability testing towards products, segregation of duties, as well as prevention of conflict of interest. All these are recorded in the Group's Compliance Manual and Operational Manual for relevant staff's adoption.

The Group has a Compliance Department and a Legal Department, which are independent of the business units. The Compliance Department is responsible for compliance risk management, and conducting compliance monitoring and review. The Legal Department is responsible for providing legal advisory services, drafting and examination of legal documents.

(2) Liquidity and Funding Risk

Liquidity risk refers to the risk of the Group suffering from any financial loss as a result of failure to or a higher funding cost to fulfil its financial obligations due to cash flow mismatch, despite the Group's healthy financial standing.

Funding risk refers to the risk of the Group suffering from limited and insufficient source of fund and funding amount to sustain the Group's business development.

Certain subsidiaries of the Group are subject to the local country's regulatory liquidity requirements. Currently, a monitoring system is in place to ensure the relevant licensed subsidiaries maintain adequate liquid capital to support their business commitments and comply with the relevant applicable Financial Resource Rules. Finance Department also closely monitors the Group's cash flow and the Group's assets and liabilities position. Moreover, Credit Control Department carries out regular review of the margin ratios of the pledged securities to ensure they have sufficient liquidity, thereby to manage liquidity risk.

CORPORATE GOVERNANCE REPORT (Cont'd)

(3) Credit Risk

Credit Risk refers to the risk of the Group suffering from any financial loss as a result of the debtor (including clients, guarantors or related parties), counterparties (including trading counterparties, brokers, banks and custodians) or asset issuers (including guarantors or related parties) failing to fulfil their obligations to repay, pay, settle, etc on time.

Business relating to credit should be run on the principle of risk diversification, dealt with creditworthy debtors, counterparties and asset issuers, and secured the Group's position with collateral or guarantee from the transactions as far as possible.

The Group has authorisation policies and procedures in place for stock financing, merger and acquisition financing, margin loan, client's or counterparty's credit and trading limits, as well as the margin ratios of stocks.

The Group's Credit Control Department is responsible for monitoring the positions of client's accounts (including the stock, futures and stock options) and the level of financing on a daily basis. Credit Control Department strictly enforces margin call and executes forced sale in accordance with the Group's established policies and procedures. When any breach of the Group's financing or credit policy is identified, the Credit Control Department will report it to the management immediately. In addition, the Credit Control Department conducts regular stress tests on client's repayment capability, so as to identify those client's accounts that may have margin deficits under volatile market conditions.

To avoid excessive concentration of credit risk, the Group has set limits on single client or counterparty credit exposure, stock and bond concentration risk.

(4) Market Risk

Market risk refers to the risk of the Group suffering from any financial loss as a result of adverse market movements of exchange rate, interest rate, price of financial instruments, etc. The Group's investment trading business should be run on the principle of risk diversification. Each of its portfolios, investments and transactions should be managed within the approved limits.

The Group has procedures and risk indicators in place to monitor the market exposure of the investment business regularly, ensuring the business is run within the Group's risk appetite.

(5) Operational Risk

Operational risk refers to the risk of the Group suffering from any financial or non-financial loss resulting from inadequacy or failure of internal processes, staff or systems, or from external events.

The Management Committee of the Group supervises the daily operations of the Group, and manages the risks according to the actual situation of the businesses. Operational Manuals once approved are published on the Group's intranet for relevant departments and staff's compliance and implementation. The existing business operating procedures and the risk management measures are reviewed and updated from time to time to ensure that they are consistent with the actual operations of the Group.

(6) Reputational Risk

Reputational Risk refers to the risk of the Group's suffering from any damage to its goodwill as a result of its operation, or external events, leading to negative comment from regulators, customers, partners and other investors. Such damage could be in the form of, for example, criticism from the media or drop in the stock price. Reputational risk events may stand alone or result from other risk events.

The Group strives to maintain its reputation and acts in the Group's long-term interest, and timely handle in accordance with the established requirements in case of a risk event.

The Group also formulates other documents and measures, such as risk policies and risk limits, in accordance with the above-mentioned Risk Tolerances, that serves as specific measures for the Group to manage risks.

(i) *Handling and Dissemination of Inside Information*

To ensure inside information of the Group is to be disclosed to the public in a timely manner in accordance with the Listing Rules, applicable laws and regulatory requirement, a framework has been established to set out the procedures and internal controls for the handling and dissemination of inside information. The framework and its effectiveness are subject to review on a regular basis according to established procedures.

(j) *Review of Effectiveness of the Risk Management and Internal Control Systems*

The Board acknowledges their responsibility to review the effectiveness of the risk management and internal control systems adopted. Such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT (Cont'd)

The Board reviews the effectiveness of the Group's risk management and internal control systems on an ongoing basis. Through the structure and measures mentioned above, the Board ensures that appropriate and effective risk management and internal control systems are in place. The Board has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budgets of the Group's compliance, risk management, accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting. For the financial year ended 31 December 2025, the Risk Management Committee and the Internal Audit Department had submitted reports on the effectiveness of the Group's risk management and internal control systems to the Risk Committee and Audit Committee respectively, confirming that the risk management and internal control systems are adequate and effective.

The Company maintains and effectively implements a comprehensive system of internal control and stringent policies, which include Compliance Manual and Whistleblowing Policy, for anti-corruption and anti-fraud, and is committed to promoting integrity and preventing unethical behaviour.

D.3 Audit Committee

Principle: The board should establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the issuer's auditors. The audit committee established under the Exchange Listing Rules should have clear terms of reference.

The Audit Committee was set up in 1999. The roles of the Audit Committee are mainly to ensure integrity of financial statements, to oversee financial reporting system, risk management and internal control procedures as well as to provide advice and recommendations to the Board. The details of the terms of reference of the Audit Committee are published on the websites of the HKEx and the Company.

As at 31 December 2025, the Audit Committee is composed of three independent non-executive directors, namely, Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna. Ms. Chiu Lai Kuen Susanna acts as the chairman of the Audit Committee.

The Audit Committee held two meetings in the financial year ended 31 December 2025. The following is an attendance record of the meeting held by the Audit Committee for the financial year:

| Name of Committee Members | Number of meeting(s) attended/held |
|---|---|
| Chiu Lai Kuen Susanna (<i>Chairman</i>) (<i>appointed on 11 April 2025</i>) | 1/1 |
| Kwok Lam Kwong Larry | 2/2 |
| Liu Chijin | 1/2 |

CORPORATE GOVERNANCE REPORT (Cont'd)

A summary of the work performed by the Audit Committee during the financial year is listed below:

- (1) reviewed the financial statements and the independent auditor's report before their submission to the Board;
- (2) reviewed the results of the audit on the Company's system of internal controls;
- (3) reviewed the results of the audit on the connected or continuing connected parties transactions;
- (4) nominated external auditor for re-appointments at the annual general meeting held in 2025, and considered the proposed remuneration and terms of engagement of external auditor;
- (5) reviewed and submitted to the Board relevant policies within the scope of the Audit Committee;
- (6) assessed the effectiveness of the Group's risk management and internal control systems;
- (7) performed corporate governance functions delegated by the Board; and
- (8) facilitate the change of external auditor, review factors such as the independence and objectivity, qualifications and competence, and remuneration of the external auditor, and propose to the Board of Directors to convene an extraordinary general meeting of shareholders to appoint a new external auditor and consider its remuneration.

The work and findings of the Audit Committee were reported to the Board. During the year, no issues brought to the attention of management and the Board were of sufficient importance to require disclosure in the Annual Report.

The Board agreed with the Audit Committee's proposal for the re-appointment of Deloitte Touche Tohmatsu as the Company's external auditor for 2026. The recommendation will be put forward for the approval of shareholders at the forthcoming annual general meeting.

Full minutes of Audit Committee meetings are kept by the Company Secretary. Draft and final versions of minutes of the meetings were sent to all committee members for their comment and records, normally within one month after the meeting.

No member of the Company's Audit Committee was a former partner of the Company's existing external auditor.

CORPORATE GOVERNANCE REPORT (Cont'd)

During the financial year ended 31 December 2025, the remuneration to the external auditor, Messrs. Deloitte Touche Tohmatsu, was as below:

| Nature of services | HK\$'000 |
|---------------------------|-----------------|
| Audit services | 1,916 |
| Tax advisory services | 317 |

The Audit Committee was provided with sufficient resources, including the advice of external auditor and Internal Audit Department, to perform its duties.

The Audit Committee established a whistleblowing procedures of the Group. Under the whistleblowing procedures, the employees and those who deal with the Group can report any concerns relating to the possible financial reporting improprieties to the chairman of Audit Committee.

E.1 The level and make-up of remuneration and disclosure

Principle: An issuer should have a formal and transparent policy on directors' remuneration and other remuneration related matters. The procedure for setting policy on executive directors' remuneration and all directors' remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain directors to run the company successfully without paying more than necessary. No director should be involved in deciding that director's own remuneration.

The Remuneration Committee of the Company was established in April 2005. The functions of the Remuneration Committee are mainly to review and make recommendations to the Board on the Company's policy and structure for all remunerations of directors and senior management. The terms of reference of the Remuneration Committee include the specific duties set out in Code Provision E.1.2(a) to (h), with appropriate modifications where necessary. The Remuneration Committee is delegated with responsibility to determine the remuneration packages of individual executive directors and senior management. Details of terms of reference of the Remuneration Committee are published on the HKEx's and Company's websites.

As at 31 December 2025, the Remuneration Committee consists of three independent non-executive directors, namely, Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna. Mr. Kwok Lam Kwong Larry acts as the chairman of the Remuneration Committee.

CORPORATE GOVERNANCE REPORT (Cont'd)

The Remuneration Committee held three meetings in the financial year ended 31 December 2025. The following is an attendance record of the meeting held by the Remuneration Committee for the financial year:

| Name of Committee Members | Number of meeting(s) attended/held |
|---|---|
| Kwok Lam Kwong Larry (<i>Chairman</i>) | 3/3 |
| Liu Chijin | 3/3 |
| Chiu Lai Kuen Susanna (<i>appointed on 11 April 2025</i>) | 2/2 |

During the financial year, the Remuneration Committee reviewed and considered the remuneration policy, packages and fringe benefits of the directors and senior management of the Group. In addition, the Remuneration Committee also reviewed the remuneration policies of the Group and compared with companies of similar scale as benchmark. Furthermore, the Committee made recommendations to the Board for the reward system of the Group, the remuneration of the executive directors of the Company and senior management of the Group and the salary of employees in 2025. None of the directors of the Company participated in the determination of the remuneration of their own. The Remuneration Committee was satisfied with the current remuneration policy and packages of the Group.

The Remuneration Committee shall consult the Chairman and/or Chief Executive Officer about their remuneration proposals for the directors. The Remuneration Committee shall have access to independent professional advice if necessary.

The Remuneration Committee was provided with sufficient resources to perform its duties.

For the financial year ended 31 December 2025, the remuneration of the members of the senior management by band is set out below:

| Remuneration bands | Number of senior management* |
|-----------------------------|-------------------------------------|
| Nil–HK\$3,000,000 | 4 |
| HK\$3,000,001–HK\$5,000,000 | 1 |
| HK\$5,000,001–HK\$7,000,000 | 0 |

* The evaluation of the performance of the employees has not been completed. Thus, the amount of bonus has not yet been determined and the final amount will be disclosed in due course.

Details of the directors' remuneration and five highest paid employees for the financial year ended 31 December 2025 as required to be disclosed pursuant to Appendix D2 of the Listing Rules are provided in notes 8 and 9 to the financial statements.

F.1 Effective communication

Principle: The board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use formal meetings (including general meetings) and other appropriate channels under the issuer's shareholders' communication policy to communicate with them and encourage their participation. In addition, the issuer should ensure that shareholders are given sufficient advance notice of shareholders meetings and provide sufficient information to enable shareholders to familiarise themselves with the detailed procedures for conducting a poll, and should arrange to address questions from shareholders in the shareholders meetings.

The Board has established a Dividend Policy which allows its shareholders to participate in the Company's profits on one hand, while retaining adequate reserves for future business development on the other. In general, the dividend payout ratio should be in the range between 40% and 60% of the Group's consolidated net profit after tax for the then financial year. In addition, the Board may also declare special dividends in addition to such dividends as it considers appropriate.

Pursuant to the disclosure requirements under the Listing Rules and the Code, the Company is required to disclose the following information on shareholders' rights:

Set out below are procedures by which shareholders of the Company may (a) convene an extraordinary general meeting; (b) put enquiries to the Board; (c) put forward proposals at shareholders' meetings; and (d) propose a person for election as a director. These procedures are generally governed by the Articles of Association of the Company and applicable laws, rules and regulations, which prevail over what is stated below in case of inconsistencies.

(a) *How shareholders can convene an extraordinary general meeting*

Pursuant to Article 69 of the Articles of Association of the Company, extraordinary general meeting(s) shall be convened as provided by the Companies Ordinance.

Pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholder(s) representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings may request in writing to call an extraordinary general meeting.

The written request:

- (i) must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting (in case if the resolution is to be proposed as a special resolution, the written request should include the text of the resolution and specify the intention to propose the resolution as a special resolution);
- (ii) must be signed by the requisitionist(s); and
- (iii) may either be deposited at the registered office of the Company at Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong in hard copy form or sent in electronic form by email at co.sec@swwhyhk.com.

The Board must call an extraordinary general meeting within 21 days after the date on which they become subject to the requirement and the extraordinary general meeting so called must be held on a date not more than 28 days after the date of the notice convening the extraordinary general meeting.

If the Board does not proceed to convene the extraordinary general meeting as aforesaid, the requisitionist(s), or any of them representing more than one half of the total voting rights of all of them, may themselves call an extraordinary general meeting, provided that any extraordinary general meeting so convened is held within 3 months after the date on which the Board becomes subject to the requirement to call an extraordinary general meeting. Any reasonable expenses incurred by the requisitionist(s) by reason of the failure of the Board duly to call an extraordinary general meeting must be reimbursed by the Company.

- (b) *The procedures by which enquiries may be put to the board and sufficient contact details to enable these enquiries to be properly directed*

Shareholders and other stakeholders may send their enquiries and concerns to the Board by addressing them to Company Secretary, whose contacts are listed below:

Registered office: Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong
Email: co.sec@swwhyhk.com

- (c) *The procedures and sufficient contact details for putting forward proposals at shareholders' meetings*

Any shareholder(s) satisfying the following conditions can request in writing to move a resolution at an annual general meeting:

- (i) shareholder(s) representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate; or
- (ii) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate.

The written request:

- (i) must identify the resolution of which the notice is to be given;
- (ii) must be signed by the requisitionist(s); and
- (iii) may either be deposited at the registered office of the Company at Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong in hard copy form or sent in electronic form by email at co.sec@swwhyhk.com, not later than 6 weeks before the annual general meeting to which the requests relate; or if later, the time at which notice is given of that annual general meeting.

CORPORATE GOVERNANCE REPORT (Cont'd)

(d) *The procedures for shareholders to propose a person for election as a director*

Pursuant to Article 113 of the Articles of Association of the Company, if a shareholder wish to propose a person other than a retiring director for election as a director at a general meeting, notice in writing of the intention to propose that person for election as a director and notice in writing by that person of his willingness to be elected shall have been given to the Company during a period of not less than seven (7) days commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date appointed for the meeting.

During the year, there were no significant changes in the Company's constitutional documents. The Articles of Association of the Company are available on the websites of the Company and the Stock Exchange.

The Board has adopted a shareholders communication policy which set out the Company's policy for maintain an on-going dialogue with shareholders. The policy is subject to review on a regular basis to ensure its effectiveness. The following is a summary of the work conducted in accordance with the shareholders communication policy during the financial year:

- (1) we have published annual reports, interim reports and results announcements in a timely manner with the Stock Exchange and on the Company's website;
- (2) the extraordinary general meeting held on 11 April 2025 approved the appointment of Ms. Chiu Lai Kuen Susanna as an independent non-executive director of the Company and authorised the Board of the Company to determine the remuneration of the director;
- (3) the extraordinary general meeting held on 31 July 2025 approved the appointment of Ms. Zhang Ying as a non-executive director of the Company and authorised the Board of the Company to determine the remuneration of the director;
- (4) the extraordinary general meeting held on 1 September 2025 approved the continuing connected transactions;
- (5) the extraordinary general meeting held on 15 October 2025 approved the appointment of Mr. Li Shouwei as an executive director of the Company and authorised the Board of the Company to determine the remuneration of the director; and
- (6) since September 2022, shareholders can choose to receive corporate communications via electronic means, with the aim to reduce resource consumption related to printing and distribution of hard copies.

After considering the above works conducted, it is of the view that the shareholders communication policy of the Company was effective.

CORPORATE GOVERNANCE REPORT (Cont'd)

At the annual general meeting and the extraordinary general meetings held in 2025, a separate resolution was proposed by the Chairman for each substantially separate issue.

During the financial year, the Company held the annual general meeting on 23 May 2025 and the extraordinary general meetings on 11 April 2025, 31 July 2025, 1 September 2025 and 15 October 2025.

- (a) At the annual general meeting held on 23 May 2025, the Chairman of the Board, the chairmen of the Audit Committee, Remuneration Committee, Nomination Committee, Risk Committee, and Environmental, Social and Governance Committee or members of the respective Committees, and the representative of the external auditor, Deloitte Touche Tohmatsu attended to answer questions from the shareholders.
- (b) At the extraordinary general meeting held on 11 April 2025, shareholders' approval was obtained for the appointment of Ms. Chiu Lai Kuen Susanna as an independent non-executive director of the Company and authorizing the Board of Directors to determine directors' remuneration. The chairman of the Remuneration Committee, and the members of the respective Committees attended the meeting to answer questions.
- (c) At the extraordinary general meeting held on 31 July 2025, shareholders' approval was obtained for the appointment of Ms. Zhang Ying as a non-executive director of the Company and authorizing the Board of Directors to determine directors' remuneration. The chairman of the Remuneration Committee, and the members of the respective Committees attended the meeting to answer questions.
- (d) At the extraordinary general meeting held on 1 September 2025, approval was sought for and finally was obtained from independent shareholders in respect of continuing connected transactions, with chairman of the Independent Director Committee, and representative of the independent financial adviser to independent shareholders attending the meeting.
- (e) At the extraordinary general meeting held on 15 October 2025, shareholders' approval was obtained for the appointment of Mr. Li Shouwei as an executive director of the Company and authorizing the Board of Directors to determine directors' remuneration. The chairman of the Remuneration Committee, and the members of the respective Committees attended the meeting to answer questions.

To ensure that shareholders are familiar with the poll procedures at the annual general meeting and the extraordinary general meeting held in 2025, the Chairman (through the Company Secretary and staff of the Company Secretarial Department) explained the detailed procedures of poll voting.

After the conclusion of the annual general meeting and the extraordinary general meeting, the poll results were published on the website of HKEx at <http://www.hkexnews.hk> and the Company's website at <http://www.swhyhk.com>.

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2025 and the Company's and the Group's financial position at that date are set out in the audited financial statements.

The Company's existing Dividend Policy allows its shareholders to participate in the Company's profits on one hand, while retaining adequate reserves for future business development on the other. In general, the dividend payout ratio should be in the range between 40% and 60% of the Group's consolidated net profit after tax for the then financial year. In addition, the board of directors (the "Board") of the Company may also declare special dividends in addition to such dividends as it considers appropriate.

The directors resolved not to recommend the payment of a final dividend for the year ended 31 December 2025.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 is set out under the sections headed Chairman's Statement, Management Discussion & Analysis, Environmental, Social and Governance Report and Corporate Governance Report on pages 3 to 5, pages 6 to 13, pages 14 to 49 and pages 50 to 80 respectively of this annual report.

REPORT OF THE DIRECTORS (Cont'd)

FIVE YEAR FINANCIAL SUMMARY

| | 2025 HK\$'000 | 2024 HK\$'000 | 2023 HK\$'000 | 2022 HK\$'000 | 2021 HK\$'000 |
|--|---------------------|------------------|------------------|------------------|------------------|
| RESULTS | | | | | |
| REVENUE | 659,849 | 55,897 | 618,215 | 426,340 | 730,287 |
| Other gains/(losses), net | 13,469 | 250,338 | (43,868) | (119,535) | 12,092 |
| Commission expenses | (67,631) | (32,780) | (31,290) | (56,006) | (150,541) |
| Employee benefit expenses | (251,119) | (233,103) | (248,925) | (297,992) | (265,890) |
| Depreciation | (47,754) | (49,584) | (54,858) | (66,197) | (53,110) |
| Interest expenses | (66,637) | (36,741) | (127,978) | (108,118) | (94,794) |
| Other expenses, net | (100,959) | (87,597) | (235,823) | (649,597) | (296,212) |
| PROFIT/(LOSS) BEFORE TAXATION | 139,218 | (133,570) | (124,527) | (871,105) | (118,168) |
| Income tax | (18,282) | (27,156) | (67,927) | (8,819) | 22,418 |
| PROFIT/(LOSS) FOR THE YEAR | 120,936 | (160,726) | (192,454) | (879,924) | (95,750) |
| Attributable to: | | | | | |
| Ordinary equity holders of the Company | 120,936 | (160,726) | (192,454) | (879,924) | (95,750) |
| Non-controlling interests | — | — | — | — | — |
| | 120,936 | (160,726) | (192,454) | (879,924) | (95,750) |
| ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS | | | | | |
| TOTAL ASSETS | 13,153,100 | 8,824,679 | 12,851,862 | 16,516,683 | 22,907,283 |
| TOTAL LIABILITIES | (10,401,966) | (6,177,924) | (10,061,684) | (13,556,800) | (19,052,624) |
| NON-CONTROLLING INTERESTS | — | — | — | — | (2,626) |
| | 2,751,134 | 2,646,755 | 2,790,178 | 2,959,883 | 3,852,033 |

REPORT OF THE DIRECTORS (Cont'd)

TAX RELIEF AND EXEMPTION

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's listed securities.

SHARE CAPITAL

There were no movements in the issued share capital of the Company during the year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company, or existed during the year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities on the Stock Exchange (including any sale of treasury shares) during the year. As at the end of the Reporting Period, the Company did not hold any treasury shares.

DISTRIBUTABLE RESERVES

At 31 December 2025, the Company has no reserve available for distribution in accordance with the provisions of sections 291, 297 and 299 of the Hong Kong Companies Ordinance (Cap. 622).

CHARITABLE CONTRIBUTIONS

No charitable contribution was made by the Group during the year.

REPORT OF THE DIRECTORS (Cont'd)

MAJOR CUSTOMERS AND SUPPLIERS

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

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers.

The Group is a provider of financial services. In the opinion of the directors, it is therefore of no value to disclose details of the Group's suppliers.

DIRECTORS

The directors of the Company during the year were:

Executive directors:

Wu Meng (*Chairman*)

Tan Weijun (*resigned on 22 September 2025*)

Li Shouwei (*appointed on 15 October 2025*)

Liang Jun (*Chief Executive Officer*)

Hu Jing (*Chief Risk Officer*) (*resigned on 13 March 2026*)

Non-executive director:

Zhang Lei

Ms. Zhang Ying (*appointed on 31 July 2025*)

Independent non-executive directors:

Mr. Kwok Lam Kwong Larry

Mr. Liu Chijin

Ms. Chiu Lai Kuen Susanna (*appointed on 11 April 2025*)

In accordance with 109(A) of the Company's Articles of Association and in compliance with Code Provision B.2.3 of the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Ms. Wu Meng, Mr. Li Shouwei, Ms. Zhang Ying and Mr. Kwok Lam Kwong Larry, shall retire at the conclusion of the Annual General Meeting. Mr. Li Shouwei, Ms. Zhang Ying and Mr. Kwok Lam Kwong Larry, being eligible, have offered themselves for re-election, whereas Ms. Wu Meng will retire as a Director at the Annual General Meeting and will not seek re-election.

The Company has received annual confirmations of independence pursuant to Rule 3.13 of the Listing Rules from Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna and as at the date of this report, still considers them to be independent.

A list of names of all the directors who have served on the boards of the subsidiaries of the Company for the period from 1 January 2025 to the date of this report is available on the Company's website at www.swhyhk.com.

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND THE SENIOR MANAGEMENT OF THE GROUP

As at the date of this report, biographical details of the Directors of the Company:

Executive directors

Wu Meng — Chairman

Ms. Wu Meng, aged 44, was appointed as an Executive Director of the Company on 10 August 2019, as Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Environmental, Social and Governance Committee of the Company on 26 October 2021, and as Chairman of the Management Committee of the Company on 9 August 2024. Ms. Wu is a member of the executive committee, a general manager of the International Business Division of Shenwan Hongyuan Securities Co., Ltd.; a chairman and general manager of Shenwan Hongyuan (International) Holdings Limited, all of which being companies controlled by Shenwan Hongyuan Group Co., Ltd. (6806.HK, 000166.SZ), the holding company of the Company. Prior to joining Shenwan Hongyuan Securities Co., Ltd., Ms. Wu worked in the corporate finance division of China Jiayin Investment Ltd., and the capital market department and securities institution department/insurance institutions department of Central Huijin Investment Ltd. She has over 20 years of relevant business experience. Ms. Wu holds a Master's Degree of Science in Finance and Investment, and a Ph.D. Degree in Management.

Li Shouwei

Mr. Li Shouwei, aged 41, was appointed as Executive Director, and a member of the Risk Committee of the Company on 15 October 2025. Mr. Li currently also serves as a member of the Risk Management Professional Committee of the 8th Securities Association of China, the general manager of the risk management division at Shenwan Hongyuan Securities Co., Ltd., and a director of Shenwan Hongyuan Financing Services Co., Ltd. Mr. Li successively served as the head of the market risk division of the risk management department of Hongyuan Securities Co., Ltd., an assistant to the director of the compliance and risk management center and assistant to the general manager of the risk management division at the compliance and risk management center of Shenwan Hongyuan Securities Co., Ltd., an assistant to the general manager and deputy general manager of the risk management division of Shenwan Hongyuan Securities Co., Ltd., and deputy general manager (take in charge) of the internal review headquarters at Shenwan Hongyuan Securities Co., Ltd. Mr. Li holds a Master's Degree of Applied Mathematics from Hangzhou Dianzi University and a Master's Degree of Business Administration in Finance and Accounting from The Chinese University of Hong Kong.

REPORT OF THE DIRECTORS (Cont'd)

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND THE SENIOR MANAGEMENT OF THE GROUP (Cont'd)

Executive directors (Cont'd)

Liang Jun — Chief Executive Officer

Mr. Liang Jun, aged 41, was appointed as an Executive Director and the Chief Executive Officer of the Company on 12 June 2021. Mr. Liang is currently the deputy chairman of the Management Committee and a member of each of the Risk Committee and the Environmental, Social and Governance Committee of the Company. Mr. Liang is also a deputy general manager of Shenwan Hongyuan (International) Holdings Limited, being a company controlled by Shenwan Hongyuan Group Co., Ltd. (6806.HK, 000166.SZ), the holding company of the Company. He joined the Group in June 2019 as Head of Equity Capital Markets and subsequently has been appointed as a Deputy General Manager and Head of Global Capital Markets Division of the Group. Prior to joining the Group, Mr. Liang worked in the risk management department, the CEO office and fixed income department of CITIC Securities Company Limited, and the equity capital market department of CLSA Limited. He has more than 19 years' experience in securities business. Mr. Liang holds a Master's Degree in Business Administration from Guanghua School of Management, Peking University, and a Postgraduate Master's Degree in Finance from Nankai University. He also is a Chartered Financial Analyst (CFA) and a Financial Risk Manager (FRM).

REPORT OF THE DIRECTORS (Cont'd)

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND THE SENIOR MANAGEMENT OF THE GROUP (Cont'd)

Non-executive director

Zhang Lei

Mr. Zhang Lei, aged 57, was appointed as a Non-executive Director of the Company in February 2013. He graduated from Shanghai Jiaotong University as doctor of philosophy of Financial Management Engineering in 1997. Mr. Zhang has many years of experience in the securities industry. He has previously worked for Shenyin & Wanguo Securities Co., Ltd., the former of Shenwan Hongyuan Group Co., Ltd., as deputy manager of Client Asset Management Division. Mr. Zhang joined Shanghai Industrial Investment (Holdings) Company Limited in July 2006, and currently serves as its general manager of Finance & Planning Department. He also presently holds directorships in certain wholly-owned subsidiaries of Shanghai Industrial Investment (Holdings) Company Limited and acts as the responsible officer of SIIC Asset Management Company Limited.

Zhang Ying

Ms. Zhang Ying, aged 54, was appointed as a Non-executive Director of the Company on 31 July 2025. Ms. Zhang also serves as a managing director of the Office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd., a designated director of the office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd., a director of Shenwan Hongyuan Securities Co., Ltd., a non-executive director of Shenwan Hongyuan Group Co., Ltd. (6806.HK, 000166.SZ), and a director of Hongyuan Futures Co. Ms. Zhang successively served in Beijing Urban Construction No. 4 Construction Engineering Co., Ltd., the Financing Department of China Investment Bank, Treasury & Financial Market Department of China Development Bank, and successively served as the deputy director and director of Policy Research Department of China Development Bank and other positions. She served as the senior manager of the Securities Institution Management Department/Insurance Institution Management Department of Central Huijin Investment Ltd., the division chief and director of Research Support Division of the Securities Institution Management Department/Insurance Institution Management Department of Central Huijin Investment Ltd. successively, and she served as the division chief in Comprehensive Division and senior manager of the Office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd. Ms. Zhang obtained a bachelor's degree in economics from Renmin University of China majoring in investment and economics management, and obtained a master's degree in economics from the Graduate School of People's Bank of China majoring in international finance.

REPORT OF THE DIRECTORS (Cont'd)

Independent non-executive directors

Kwok Lam Kwong Larry, S.B.S., J.P

Mr. Kwok Lam Kwong Larry, aged 70, was appointed as an Independent Non-executive Director of the Company in March 1995. He is currently the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee, the Risk Committee and the Environmental, Social and Governance Committee of the Company. Mr. Kwok is a practising solicitor in Hong Kong and is also qualified to practise as a solicitor in Australia, England and Wales and Singapore. He is also qualified as a Chartered Accountant in England and Wales and a CPA in Hong Kong and Australia. Mr. Kwok graduated from the University of Sydney, Australia with Bachelor's Degrees in Economics and Laws as well as a Master's Degree in Laws. He also obtained the Advanced Management Program Diploma from the Harvard Business School.

Liu Chijin

Liu Chijin, aged 63, was appointed as an Independent Non-executive Director, a member of the Audit Committee, Remuneration Committee, Nomination Committee, Risk Committee, and Environmental, Social and Governance Committee of the Company on 28 June 2024. Mr. Liu is the chairman of Pan Pacific Group, member of China Life Strategic Advisory Committee, and an Independent Non-executive Director, the member of Audit Committee and Nomination Committee of Fourth Paradigm Technology Company (whose H shares are listed on the Stock Exchange, stock code: 6682); Mr. Liu formerly served as an Independent Director of Xiamen International Trust and an Independent Supervisor of China National Building Materials Corporation. Mr. Liu has also been appointed as a visiting professor of the International Finance Doctoral Program at Tsinghua Wudaokou School of Finance, as well as a special lecturer at China (Dalian) Senior Management College and the State owned Assets Supervision and Administration Commission's Education Center. Mr. Liu graduated from Xiamen University with a Bachelor's degree in Semiconductor Physics, and also holds a Master's degree in Physics from the University of Memphis and an MBA from Harvard Business School.

Dr. Chiu Lai Kuen Susanna, MH JP

Dr. Chiu Lai Kuen Susanna ("Dr. Chiu"), aged 66, was appointed as an Independent Non-executive Director, the chairman of the Audit Committee and the Risk Committee of the Board of the Company, and a member of each of the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee of the Company on 11 April 2025. Dr. Chiu is currently the Executive Director cum Chief Financial Officer of Bonjour Holdings Limited (stock code: 0653). She is also an Independent Non-executive Director of Nanyang Commercial Bank, China Oilfield Services Limited (stock code: 2883), and China Science and Education Industry Group Limited (Stock code: 1756. From 2006 to 2019, she served as senior vice president, Group Chief Representative (Eastern China) and consultant in various member companies of the Li & Fung Group. Dr. Chiu was awarded the Medal of Honor by the Hong Kong Government in 2013 and a Justice of the Peace in 2017. Dr. Chiu received numerous titles including the "Outstanding Women Professionals Award" in 2014, the "Outstanding Businesswoman Award" in 2017 and the "GBA Outstanding Women Entrepreneur Award" in 2021. Dr. Chiu is a member of the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC), and Hong Kong Accounting Advisory Expert of the Ministry of Finance of the People's Republic of China. She is also a fellow member and Past President of the Hong Kong Institute of Certified Public Accountants. Dr. Chiu graduated with a First-Class Honors degree in Economics from the University of Sheffield (UK) and earned an Executive Master of Business Administration degree from the Chinese University of Hong Kong. She was also awarded an honorary doctorate from the University of Sheffield.

REPORT OF THE DIRECTORS (Cont'd)

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND THE SENIOR MANAGEMENT OF THE GROUP (Cont'd)

As at the date of this report, biographical details of the senior management of the Company:

Senior management

Yu Lili — Member of the Management Committee and Division Head of Corporate Finance

Ms. Yu Lili, aged 42, joined the Group as a member of Management Committee in November 2021 and has been appointed as a Deputy General Manager of the Group in charge of the Corporate Finance Department in February 2022. Prior to joining the Group, Ms. Yu worked in merger and acquisition business division of CITIC Securities Company Limited, Shenwan Hongyuan Financing Services Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd.. She has more than 16 years' experience in corporate finance business. Ms. Yu holds a Master's Degree of Science from University of Bristol, a Master's Degree of Finance from East China Normal University and a Bachelor's Degree of Economics from East China Normal University.

Zhang Haixiao — Member of the Management Committee and Head of Human Resources

Mr. Zhang Haixiao, aged 44, joined the Group in March 2023 as a member of the Management Committee and concurrently heads the Human Resources Department. Mr. Zhang has more than 19 years of relevant work experience in the government and financial industries. He previously worked in Chinese governmental departments, China Investment Corporation and CIC International (Hong Kong) Co., Limited. He holds a Master's Degree of Management from Central University of Finance and Economics.

Luo Hongwei — Member of the Management Committee and Division Head of Asset Management

Mr. Luo Hongwei, aged 46, joined the Group in July 2024 as a member of the Management Committee and as the Division Head of Asset Management. With over 19 years of experience in finance and investment, Mr. Luo previously served as Investment Director at the Australian Future Fund and was responsible for investment management at China Investment Corporation. He was also appointed as a foreign expert by the State Administration of Foreign Experts Affairs. Mr. Luo holds a Ph.D. from the Royal Melbourne Institute of Technology.

REPORT OF THE DIRECTORS (Cont'd)

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND THE SENIOR MANAGEMENT OF THE GROUP (Cont'd)

Senior management (Cont'd)

Huang Rong — Member of the Management Committee and Chief Financial Officer

Ms. Huang Rong, aged 45, was appointed as a member of the Management Committee of the Company in March 2026. Ms. Huang is also serves as Chief Financial Officer of Shenwan Hongyuan (International) Holdings Limited, Shenwan Hongyuan Singapore Private Ltd., and the Company. Ms. Huang joined Shenwan Hongyuan Securities Co., Ltd. in 2011, where she worked in the Planning and Financial Management Headquarters and the Finance Department of the Zhejiang Branch. Prior to this, Ms. Huang worked in the consulting and trust industries and has over 18 years of experience in finance and auditing. Ms. Huang holds a Master's Degree of Management and is a Certified Public Accountant in China.

Chen Baoru — Member of the Management Committee and Chief Risk Officer

Ms. Chen Baoru, aged 38, joined the Group in March 2026 as a member of the Management Committee and Chief Risk Officer. Ms. Chen also serves as the Manager of the Integrated Risk Management Department of the Risk Management Headquarters of Shenwan Hongyuan Securities Co., Ltd. She previously served as Deputy General Manager of Yandang Road Securities Business Department of the Shanghai Branch of Shenwan Hongyuan Securities Co., Ltd., Senior Vice President and Director of the Risk Management Headquarters of Shenwan Hongyuan Securities Co., Ltd., Senior Vice President of the Compliance and Risk Management Center of Shenwan Hongyuan Securities Co., Ltd., Senior Consultant of the Risk Assurance Department of PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd., and Consultant and Senior Consultant of the Risk and Control Services Department of the Shanghai Branch of PricewaterhouseCoopers Consulting (Shenzhen) Co., Ltd. Ms. Chen has over 13 years of experience in risk management. She holds a Bachelor of Management Science degree in Public Administration from North China Electric Power University and a Master of Management Science degree in Administration Management from Tongji University.

REPORT OF THE DIRECTORS (Cont'd)

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board of the Company with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No director or a connected entity of a director had a significant beneficial interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party during the year.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that every Director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has taken out and maintained appropriate directors' liability insurance in respect of relevant legal actions against its directors.

DIRECTOR'S INTEREST IN SHARES

As at 31 December 2025, none of the directors and the chief executive of the Company was taken to be interested or deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix C3 of the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

REPORT OF THE DIRECTORS (Cont'd)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2025, the interests of substantial shareholders, other than directors or chief executive of the Company, who had interests or short positions of 5% or more of the issued shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company, were as follows:

Long positions in the ordinary shares of the Company

| Name of Shareholders | Capacity and nature of interests | Number of ordinary shares held (Note) | Percentage of the Company's issued shares ⁽⁷⁾ (%) |
|---|----------------------------------|--|---|
| Central Huijin Investment Ltd. | Through controlled Corporation | 1,013,131,792 ⁽¹⁾⁽²⁾⁽³⁾ | 64.90 |
| Shenwan Hongyuan (International) Holdings Limited | Directly beneficially owned | 1,013,131,792 ⁽¹⁾ | 64.90 |
| Shenwan Hongyuan Securities Co., Ltd. | Through controlled Corporation | 1,013,131,792 ⁽¹⁾⁽²⁾ | 64.90 |
| Shenwan Hongyuan Group Co., Ltd. | Through controlled Corporation | 1,013,131,792 ⁽¹⁾⁽²⁾ | 64.90 |
| SIIC Finance Company Limited | Directly beneficially owned | 80,280,188 ⁽⁴⁾ | 5.14 |
| Shanghai Industrial Investment (Holdings) Company Limited | Through controlled Corporation | 80,280,188 ⁽⁴⁾⁽⁵⁾⁽⁶⁾ | 5.14 |
| SF Finance (BVI) Company Limited | Through controlled Corporation | 80,280,188 ⁽⁴⁾⁽⁵⁾⁽⁶⁾ | 5.14 |

Notes:

- (1) Shenwan Hongyuan (International) Holdings Limited held directly 1,013,131,792 shares of the Company. Shenwan Hongyuan (International) Holdings Limited is wholly-owned by Shenwan Hongyuan Securities Co., Ltd. which is in turn a wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd.
- (2) By virtue of the relationship among Shenwan Hongyuan International Holdings Limited, Shenwan Hongyuan Securities Co., Ltd. and Shenwan Hongyuan Group Co., Ltd. as set out in Note 1 above, Shenwan Hongyuan Securities Co., Ltd. and Shenwan Hongyuan Group Co., Ltd. are also deemed to be interested in the same parcel of 1,013,131,792 Shares held by Shenwan Hongyuan (International) Holdings Limited under the SFO.
- (3) Shenwan Hongyuan Group Co., Ltd. is held as to 51.17% by Central Huijin Investment Ltd. Hence, Central Huijin Investment Ltd. is also deemed to be interested in the same parcel of 1,013,131,792 Shares held by Shenwan Hongyuan (International) Holdings Limited under the SFO.
- (4) SIIC Finance Company Limited held directly 80,280,188 Shares of the Company.
- (5) SIIC Finance Company Limited is wholly-owned by SF Finance (BVI) Company Limited which in turn a wholly-owned subsidiary of Shanghai Industrial Investment (Holdings) Company Limited.
- (6) By virtue of the relationship among SIIC Finance Company Limited, Shanghai Industrial Investment (Holdings) Company Limited and SF Finance (BVI) Company Limited as set out in Notes 4 and 5 above, Shanghai Industrial Investment (Holdings) Company Limited and SF Finance (BVI) Company Limited are also deemed to be interested in the same parcel of 80,280,188 Shares held by SIIC Finance Company Limited under the SFO.
- (7) The percentages are calculated based on the total number of 1,561,138,689 issued shares as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any person who had interests or short positions in the shares or underlying shares of the Company, which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The connected transactions and continuing connected transactions of the Company and the Group during the year are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

Continuing Connected Transactions

A. SWHYG MOUs

The Company has entered into the memorandum of understanding (“MOU”) with Shenwan Hongyuan Group Co., Ltd. (“SWHYG”) on 20 April 2022 (“2022 SWHYG MOU”) and 5 August 2025 (“2025 SWHYG MOU”), in relation to potential transactions entered into by SWHYG and its subsidiaries, and the Company and its subsidiaries (“Scope of Services”) between 1 June 2022 to 31 May 2025 and 1 September 2025 to 31 May 2028, respectively.

Scope of Services

Services provided by the SWHYG Group to the Group:

- (i) Brokerage services relating to the PRC capital markets
- (ii) Investment operational supporting services
- (iii) Research supporting services
- (iv) Corporate finance services

Services provided by the Group to the SWHYG Group:

- (i) Brokerage services relating to the Hong Kong and overseas capital markets
- (ii) Investment operational supporting services relating to the Hong Kong and overseas capital markets
- (iii) Corporate finance services

and principal-to-principal trading of financial products between the Group and the SWHYG Group.

REPORT OF THE DIRECTORS (Cont'd)

2022 SWHYG MOU

The 2022 SWHYG MOU was approved by the independent Directors of the Company at the extraordinary general meeting on 30 May 2022 according to the Listing Rules. For details, please refer to the announcement dated 20 April 2022, the circular dated 13 May 2022 and the announcement on poll result of the extraordinary general meeting dated 30 May 2022 of the Company, which set out further details of the transaction.

2025 SWHYG MOU

The 2025 SWHYG MOU was approved by the independent Directors of the Company at the extraordinary general meeting on 1 September 2025 according to the Listing Rules. For details, please refer to the announcement dated 5 August 2025, the circular dated 12 August 2025 and the announcement on poll result of the extraordinary general meeting dated 1 September 2025 of the Company, which set out further details of the transaction.

B. Licence agreement

Upon the expiry of the 2021 licence agreement, Shenwan Hongyuan Enterprises (H.K.) Limited (“SWHY Enterprises”), as the licensor, and Shenwan Hongyuan (International) Holdings Limited (“SWHY International”), as the licensee, entered into the 2024 licence agreement on 7 May 2024, pursuant to which the licensor agreed to license the premises to the licensee for a term commencing from 7 May 2024 to 24 September 2025 (both dates inclusive).

SWHY Enterprises is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company. Its principal activities are provision of management and treasury services.

SWHY International is incorporated in Hong Kong with limited liability and directly holds approximately 64.90% of the Company’s issued shares. SWHY International is an investment holding company. It is wholly owned by Shenwan Hongyuan Securities Co., Ltd. In turn, Shenwan Hongyuan Securities Co., Ltd. is wholly-owned by SWHYG.

For details, please refer to announcements of the Company dated 18 August 2021 and 8 May 2024, respectively.

REPORT OF THE DIRECTORS (Cont'd)

ANNUAL CAPS AND ACTUAL TRANSACTION AMOUNTS

Set out below are annual caps and actual amounts received or receivable/paid or payable in respect of the continuing connected transactions under 2022 SWHYG MOU, 2025 SWHYG MOU and licence agreement for the year ended 31 December 2025:

| | 2022 SWHYG MOU | |
|--|--|--|
| | Caps for the period from 1 January 2025 to 31 May 2025 (HK\$'000) | Actual transaction amounts for the period from 1 January 2025 to 31 May 2025 (HK\$'000) |
| Services provided by the SWHYG Group to the Group | 152,475 | 989 |
| (i) Brokerage services relating to the PRC capital markets | 2,273 | 151 |
| (ii) Investment operational supporting services | 71,871 | 838 |
| (iii) Research supporting services | 33,583 | — |
| (iv) Corporate finance services | 44,748 | — |
| Services provided by the Group to the SWHYG Group | 102,096 | 7,841 |
| (i) Brokerage services relating to Hong Kong and overseas capital markets | 2,837 | 199 |
| (ii) Investment operational supporting services relating to Hong Kong and overseas markets | 90,108 | 2,445 |
| (iii) Corporate finance services | 9,151 | 2,017 |
| Principal-to-principal trading of financial products | 6,732,083 | 2,646,224 |

REPORT OF THE DIRECTORS (Cont'd)

| | 2025 SWHYG MOU | |
|--|--|--|
| | Caps for the period from 1 September 2025 to 31 December 2025 (HK\$'000) | Actual transaction amounts for the period from 1 September 2025 to 31 December 2025 (HK\$'000) |
| Services provided by the SWHYG Group to the Group | 32,686 | 6,531 |
| (i) Brokerage services relating to the PRC capital markets | 1,627 | 163 |
| (ii) Investment operational supporting services | 6,617 | 6,368 |
| (iii) Research supporting services | 8,000 | — |
| (iv) Corporate finance services | 16,442 | — |
| Services provided by the Group to the SWHYG Group | 24,769 | 8,831 |
| (i) Brokerage services relating to Hong Kong and overseas capital markets | 1,333 | 255 |
| (ii) Investment operational supporting services relating to Hong Kong and overseas markets | 13,545 | 8,576 |
| (iii) Corporate finance services | 9,891 | — |
| Principal-to-principal trading of financial products | 6,003,333 | 898,106 |
| | Licence Agreement | |
| | Cap for the period from 1 January 2025 to 24 September 2025 (HK\$'000) | Actual transaction amount for the period from 1 January 2025 to 24 September 2025 (HK\$'000) |
| Licence agreement (investment operational supporting services) | 5,800 | 5,087 |

The independent non-executive directors of the Company have reviewed the continuing connected transactions as set out in note 35(a)(i-vi) to the financial statements and confirmed that these transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unmodified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group set out in page 171 of this annual report in accordance with Main Board Listing Rule 14A.56.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total number of issued shares were held by the public as at the date of this report, the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules and the initial prescribed threshold requirement under Rule 13.32B(1) of the Listing Rules.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this report, the following directors are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, as set out below:

Ms. Wu Meng (executive director and Chairman of the Board of the Company) is:

- a member of the executive committee, a general manager of the international business division of Shenwan Hongyuan Securities Co., Ltd. which is involved in securities business; and
- a chairman and a general manager of Shenwan Hongyuan (International) Holdings Limited, which is an investment holding company and through its wholly-owned subsidiary, Shenwan Hongyuan Singapore Private Limited, engages in securities brokerage business and fund management.

Mr. Li Shouwei (executive director of the Company) is:

- the general manager of risk management division of Shenwan Hongyuan Securities Co., Ltd. which is involved in securities business;
- a director of Shenwan Hongyuan Financing Services Co., Ltd. which is involved in corporate finance business; and
- a director of Shenwan Hongyuan (International) Holdings Limited, which is an investment holding company and through its wholly-owned subsidiary, Shenwan Hongyuan Singapore Private Limited, engages in securities brokerage business and fund management.

Mr. Liang Jun (executive director and Chief Executive Officer of the Company) is a deputy general manager of Shenwan Hongyuan (International) Holdings Limited, which is an investment holding company and through its wholly-owned subsidiary, Shenwan Hongyuan Singapore Private Limited, engages in securities brokerage business and fund management.

Mr. Zhang Lei (non-executive director of the Company) is a director and responsible officer of SIIC Asset Management Company Limited which is involved in the provision of asset management services.

REPORT OF THE DIRECTORS (Cont'd)

Ms. Zhang Ying (non-executive director of the Company) is:

- a managing director and designated director of the office of the Directly Managed Enterprises Leading Group/Equity Management Department II of Central Huijin Investment Ltd., which is an investment holding company with investments in multiple financial institutions;
- a non-executive director of Shenwan Hongyuan Group Co., Ltd. (stock code: 6806.HK, 000166.SZ), which engages in provision of securities services;
- a director of Shenwan Hongyuan Securities Co., Ltd., which engages in securities business; and
- a director of Hongyuan Futures Co., Ltd., which engages in futures business.

Any director(s) who is/are or deemed to be interested in any proposed transaction(s) will have his/their interest fully disclosed and will abstain from voting at the relevant resolution(s) in accordance with the applicable requirements of the Articles of Associations of the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies/entities.

AUDITORS

KPMG ("KPMG") has resigned as auditor of the Company with effect from 10 December 2024. The Company has appointed Deloitte Touche Tohmatsu as the new auditor of the Company to fill the vacancy following the resignation of KPMG with effect from 31 December 2024.

The consolidated financial statements for the year ended 31 December 2025 of the Group have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance, who will retire, being eligible, and offer themselves for the re-appointment at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE BOARD

Wu Meng
Chairman

Hong Kong

26 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SHENWAN HONGYUAN (H.K.) LIMITED

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Shenwan Hongyuan (H.K.) Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 104 to 196, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information 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 Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for 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.

INDEPENDENT AUDITOR'S REPORT (Cont'd)

KEY AUDIT MATTERS (Cont'd)

Key audit matter

How our audit addressed the key audit matter

Valuation of debt securities classified as level 2 financial assets at fair value through profit or loss ("FVTPL")

We identified the valuation of debt securities classified as level 2 financial assets at FVTPL as a key audit matter due to the significant of the Group's debt securities classified as level 2 financial assets at FVTPL to the consolidated statement of financial position.

As disclosed in note 38(a) to the consolidated financial statements, the aggregate carrying value of the Group's debt securities classified as level 2 financial assets at FVTPL and measured using observable inputs was HK\$3,553 million, which represented 27.1% of consolidated total assets as at 31 December 2025.

Our procedures in relation to the valuation of debt securities classified as level 2 financial assets at FVTPL included:

- Obtaining an understanding of the relevant controls over the valuation of debt securities classified as level 2 financial assets at FVTPL;
- Confirming the quantity of debt securities classified as level 2 financial assets at FVTPL as at 31 December 2025 with the custodians; and
- Testing the valuation of debt securities classified as level 2 financial assets at FVTPL as at 31 December 2025 with reference to the independently sourced market information.

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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 Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (Cont'd)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

As part of an audit in accordance with HKSAs, 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.
- 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.

INDEPENDENT AUDITOR'S REPORT *(Cont'd)*

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

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 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 Ha, Hong Yiu Vico (practising certificate number: P06612).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

| | NOTES | 2025 HK'000 | 2024 HK'000 |
|--|-------|---------------------|-----------------|
| Revenue | 5 | 659,849 | 55,897 |
| — Revenue from contracts with customers within the scope of HKFRS 15 | | 326,542 | 232,254 |
| — Interest income calculated using the effective interest method | | 212,553 | 251,585 |
| — Revenue from other sources | | 120,754 | (427,942) |
| Other gains, net | 5 | 13,469 | 250,338 |
| Commission expenses | | (67,631) | (32,780) |
| Employee benefit expenses | 7 | (251,119) | (233,103) |
| Depreciation | 7 | (47,754) | (49,584) |
| Interest expenses | 7 | (66,637) | (36,741) |
| Net (charges)/reversal for expected credit losses | 6 | (2,969) | 7,191 |
| Other expenses | 6 | (97,990) | (94,788) |
| Profit/(loss) before taxation | 7 | 139,218 | (133,570) |
| Income tax | 10 | (18,282) | (27,156) |
| Profit/(loss) for the year | | 120,936 | (160,726) |
| Profit/(loss) per share | | | |
| Basic earning/(loss) per share | 12 | HK7.75 cents | HK(10.30) cents |

The notes on pages 111 to 196 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | 2025 HK'000 | 2024 HK'000 |
|---|----------------|----------------|
| Profit/(loss) for the year | 120,936 | (160,726) |
| Other comprehensive income/(loss) for the year: | | |
| <i>Items that may be reclassified to the consolidated statement of profit or loss in subsequent periods</i> | | |
| Financial assets at fair value through other comprehensive income | | |
| — Net movement in revaluation recycling reserve | 824 | 157 |
| Exchange gain/(loss) on translation of financial statements of foreign operations | 27 | (262) |
| Other comprehensive income/(loss), net of tax | 851 | (105) |
| Total comprehensive income/(loss) for the year | 121,787 | (160,831) |

The notes on pages 111 to 196 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

| | NOTES | As at 31 December 2025 HK'000 | As at 31 December 2024 HK'000 |
|--|-------|--|--|
| Non-current assets | | | |
| Property, plant and equipment | 13 | 11,837 | 10,903 |
| Right-of-use assets | 14 | 124,604 | 34,226 |
| Stock and Futures Exchange trading rights | 15 | 4,212 | 4,212 |
| Other assets | 16 | 44,089 | 24,787 |
| Deferred tax assets | 17 | 31 | 57 |
| Total non-current assets | | 184,773 | 74,185 |
| Current assets | | | |
| Financial assets at fair value through profit or loss | 18 | 5,828,381 | 3,032,043 |
| Other financial assets | 19 | – | 144,503 |
| Accounts receivable | 20 | 781,244 | 598,086 |
| Loans and advances | 21 | 1,497,285 | 1,158,277 |
| Prepayments, deposits and other receivables | 22 | 140,609 | 151,288 |
| Tax recoverable | | 3,080 | 458 |
| Bank balances held on behalf of clients | 23 | 3,827,990 | 3,184,320 |
| Cash and bank balances | 24 | 889,738 | 439,780 |
| Total current assets | | 12,968,327 | 8,708,755 |
| Current liabilities | | | |
| Financial liabilities at fair value through profit or loss | 25 | 3,299,680 | 2,035,021 |
| Accounts payable | 26 | 4,035,822 | 3,438,149 |
| Contract liabilities | | 4,457 | 1,488 |
| Other payables and accruals | 27 | 144,657 | 186,556 |
| Repurchase agreements | 28 | 684,478 | – |
| Interest-bearing bank borrowings | 29 | 1,855,453 | 435,772 |
| Notes issued | 30 | 233,852 | – |
| Lease liabilities | 31 | 46,412 | 52,531 |
| Tax payable | | 2,301 | 2,682 |
| Total current liabilities | | 10,307,112 | 6,152,199 |
| Net current assets | | 2,661,215 | 2,556,556 |
| Total assets less current liabilities | | 2,845,988 | 2,630,741 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

At 31 December 2025

| | <i>NOTES</i> | As at 31 December 2025 HK'000 | As at 31 December 2024 HK'000 |
|---|--------------|--|--|
| Non-current liabilities | | | |
| Deferred tax liabilities | 17 | 425 | 827 |
| Lease liabilities | 31 | 94,429 | 567 |
| Total non-current liabilities | | 94,854 | 1,394 |
| NET ASSETS | | 2,751,134 | 2,629,347 |
| EQUITY | | | |
| Equity attributable to ordinary equity shareholders of the Company: | | | |
| Share capital | 32 | 2,782,477 | 2,782,477 |
| Other reserves | 33 | (31,343) | (153,130) |
| TOTAL EQUITY | | 2,751,134 | 2,629,347 |

The consolidated financial statements on pages 104 to 196 were approved and authorised for issue by the board of directors of the Company on 26 March 2026 and are signed on its behalf by:

Wu Meng
DIRECTOR

Liang Jun
DIRECTOR

The notes on pages 111 to 196 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| | Attributable to ordinary equity holders of the Company | | | | | | |
|--|--|---------------------------|---------------------------|---|----------------------------|---|------------------------|
| | Share capital HK'000 | Capital reserve HK'000 | General reserve HK'000 | Revaluation recycling reserve HK'000 | Exchange reserve HK'000 | Retained profits (Accumulated losses) HK'000 | Total equity HK'000 |
| At 1 January 2024 | 2,782,477 | 15 | 138 | (981) | (3) | 8,532 | 2,790,178 |
| Loss for the year | - | - | - | - | - | (160,726) | (160,726) |
| <i>Other comprehensive income:</i> | | | | | | | |
| Financial assets at fair value through other comprehensive income | | | | | | | |
| — Net movement in revaluation recycling reserve | - | - | - | 157 | - | - | 157 |
| Exchange loss on translation of financial statements of foreign operations | - | - | - | - | (262) | - | (262) |
| Total comprehensive income/ (loss) | - | - | - | 157 | (262) | (160,726) | (160,831) |
| At 31 December 2024 | 2,782,477 | 15 | 138 | (824) | (265) | (152,194) | 2,629,347 |
| At 1 January 2025 | 2,782,477 | 15 | 138 | (824) | (265) | (152,194) | 2,629,347 |
| Profit for the year | - | - | - | - | - | 120,936 | 120,936 |
| <i>Other comprehensive income:</i> | | | | | | | |
| Financial assets at fair value through other comprehensive income | | | | | | | |
| — Net movement in revaluation recycling reserve | - | - | - | 824 | - | - | 824 |
| Exchange gain on translation of financial statements of foreign operations | - | - | - | - | 27 | - | 27 |
| Total comprehensive income | - | - | - | 824 | 27 | 120,936 | 121,787 |
| At 31 December 2025 | 2,782,477 | 15 | 138 | - | (238) | (31,258) | 2,751,134 |

The notes on pages 111 to 196 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

| | NOTES | 2025 HK'000 | 2024 HK'000 |
|---|-------|--------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit/(loss) before taxation | | 139,218 | (133,570) |
| Adjustments for: | | | |
| Depreciation | 7 | 47,754 | 49,584 |
| Interest income | 5 | (212,553) | (251,585) |
| Interest expenses | 7 | 66,637 | 36,741 |
| Loss on disposal of a club debenture | 5 | – | 566 |
| Net charges/(reversal) for expected credit losses | 6 | 2,969 | (7,191) |
| | | 44,025 | (305,455) |
| (Increase)/decrease in other assets | | (19,302) | 46,200 |
| Net (increase)/decrease in financial assets at fair value through profit or loss | | (2,796,338) | 631,065 |
| Net decrease in other financial assets | | 142,498 | 147,315 |
| Net increase/(decrease) in financial liabilities at fair value through profit or loss | | 1,264,659 | (967,171) |
| Decrease in reverse repurchase agreements | | – | 172,537 |
| (Increase)/decrease in accounts receivable | | (182,847) | 2,101,551 |
| Increase in loans and advances | | (339,008) | (84,439) |
| Decrease in prepayments, deposits and other receivables | | 10,679 | 48,363 |
| (Increase)/decrease in bank balances held on behalf of clients | | (625,293) | 72,269 |
| Increase in contract liabilities | | 2,969 | 651 |
| Increase/(decrease) in accounts payable | | 597,673 | (2,507,804) |
| Decrease in other payables and accruals | | (60,472) | (176,630) |
| | | (1,960,757) | (821,548) |
| CASH USED IN OPERATIONS | | | |
| Hong Kong Profits Tax (paid)/refunded | | (2,833) | 10,978 |
| Overseas taxes paid | | (228) | (18) |
| Interest received | | 193,725 | 265,158 |
| Interest paid | | (7,427) | (20,961) |
| | | (1,777,520) | (566,391) |
| NET CASH FLOWS USED IN OPERATING ACTIVITIES | | | |

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

For the year ended 31 December 2025

| | NOTES | 2025 HK'000 | 2024 HK'000 |
|--|-------|------------------|------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment | 13 | (7,521) | (6,247) |
| Net proceeds from disposal of a club debenture | | – | 305 |
| Placements of bank deposits with original maturity over three months | | 7,395,104 | – |
| Withdrawal of bank deposits with original maturity over three months | | (7,381,604) | – |
| NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES | | 5,979 | (5,942) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from bank loans | 24(b) | 10,809,989 | 7,212,110 |
| Repayments on bank loans | 24(b) | (9,395,757) | (7,011,498) |
| Proceeds from repurchase agreement | 24(b) | 930,543 | – |
| Repayments on repurchase agreement | 24(b) | (249,389) | – |
| Proceeds from notes issued | 24(b) | 586,860 | – |
| Repayments on notes issued | 24(b) | (353,400) | (417,967) |
| Interest paid | 24(b) | (48,089) | (12,015) |
| Capital element of lease rentals paid | 24(b) | (43,802) | (44,215) |
| Interest element of lease rentals paid | 24(b) | (1,956) | (1,545) |
| NET CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES | | 2,234,999 | (275,130) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 463,458 | (847,463) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR | | 401,280 | 1,248,743 |
| CASH AND CASH EQUIVALENTS AT THE END OF YEAR | | 864,738 | 401,280 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

Shenwan Hongyuan (H.K.) Limited (“the Company”) is a limited liability company incorporated in Hong Kong. The registered office of the Company is situated at Level 6, Three Pacific Place, 1 Queen’s Road East, Hong Kong.

During the year, Shenwan Hongyuan (H.K.) Limited and its subsidiaries (together “the Group”) were involved in the following principal activities:

- brokerage business
- corporate finance business
- asset management business
- financing and loans business
- investment and other business

The Company is a subsidiary of Shenwan Hongyuan (International) Holdings Limited, a Company incorporated in Hong Kong with limited liability. In the opinion of the directors, the ultimate holding company of the Company is Shenwan Hongyuan Group Co., Ltd., which is established in the People’s Republic of China (the “PRC”) and listed in Shenzhen Stock Exchange (stock code: 000166) and Hong Kong Stock Exchange (stock code: 6806).

Information about subsidiaries

All of the principal subsidiaries, unless otherwise indicated, are incorporated and operate in Hong Kong. Particulars of the Company’s principal subsidiaries are as follows:

| Name | Issued ordinary share capital/units | Percentage of equity attributable to the Company | | | | Principal activities |
|--|-------------------------------------|--|------|----------|------|---|
| | | Direct | | Indirect | | |
| | | 2025 | 2024 | 2025 | 2024 | |
| Shenwan Hongyuan Securities (H.K.) Limited | HK\$700,000,000 | 100 | 100 | — | — | Securities brokerage and margin financing |
| Shenwan Hongyuan Futures (H.K.) Limited | HK\$30,000,000 | 100 | 100 | — | — | Futures and options brokerage |
| Shenwan Hongyuan Capital (H.K.) Limited | HK\$20,000,000 | 100 | 100 | — | — | Corporate finance |
| Shenwan Hongyuan Asset Management (Asia) Limited | HK\$10,000,000 | 100 | 100 | — | — | Provision of asset management services |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (Cont'd)

Information about subsidiaries (Cont'd)

| Name | Issued ordinary share capital/units | Percentage of equity attributable to the Company | | | | Principal activities |
|---|-------------------------------------|--|------|----------|------|---|
| | | Direct | | Indirect | | |
| | | 2025 | 2024 | 2025 | 2024 | |
| Shenwan Hongyuan Research (H.K.) Limited | HK\$300,000 | 100 | 100 | — | — | Provision of securities research services |
| Shenwan Hongyuan Strategic Investments (H.K.) Limited | HK\$10,000 | 100 | 100 | — | — | Securities trading and investment holding |
| Shenwan Hongyuan Finance (H.K.) Limited | HK\$25,000,000 | 100 | 100 | — | — | Provision of financial services |
| Shenwan Hongyuan Enterprises (H.K.) Limited | HK\$15,000,000 | 100 | 100 | — | — | Provision of management and treasury services |
| Shenwan Hongyuan Online Limited | HK\$2 | 100 | 100 | — | — | Leasing of computer equipment |
| Sparkle Well Limited | HK\$2 | 100 | 100 | — | — | Property holding |
| Wealthy Limited | HK\$2 | 100 | 100 | — | — | Property holding |
| Shenwan Hongyuan Financial Products Company Limited* | US\$1 | 100 | 100 | — | — | Provision of financial services |
| Shenwan Hongyuan Nominees (H.K.) Limited | HK\$1,000 | 100 | 100 | — | — | Provision of share custodian and nominee services |
| Shenwan Hongyuan HK Sustainable Energy Fund SP | USD50,350,000 | — | — | 41 | 41 | Securities trading and investment holding |

* Incorporated in the British Virgin Islands

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance. A summary of the material accounting policies adopted by the Group is set out in note 2.5.

The HKICPA has issued certain new and amendments HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2.3 and 2.4 provide information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except the following assets are stated at their fair value as explained in the accounting policies set out below.

- Financial assets and liabilities at fair value through profit or loss
- Financial assets at fair value through other comprehensive income (“FVOCI”)
- Interest in consolidated investment fund attributable to other holders

The preparation of financial statements in accordance with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

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.

Judgments made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

2.3 APPLICATION OF AMENDMENTS TO AN HKFRS ACCOUNTING STANDARD

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

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

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

2.4 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUED BUT NOT YET EFFECTIVE

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

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

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

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

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

Except for the new 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.

2.4 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUED BUT NOT YET EFFECTIVE (Cont'd)

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

The amendments to HKFRS 9 *Financial Instruments* 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 FVOCI 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 application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.4 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS IN ISSUED BUT NOT YET EFFECTIVE (Cont'd)

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standards, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7. 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 position 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.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of consolidation

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

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Basis of consolidation *(Cont'd)*

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

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

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group determines 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.

Profit or loss and each item 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.

Fair value measurement

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy with reference to the observability and significance of the inputs that are used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

For assets and liabilities that are measured at fair value and recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), non-lease components are separated from lease component and are accounted for by applying other applicable standards.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Leases *(Cont'd)*

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses the incremental borrowing rate at the lease commencement date. After initial recognition, the lease liability is adjusted by interest accretion and lease payments.

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

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

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

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

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

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

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Classification

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.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; 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 FVPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in the fair value of an equity investment (that is not held for trading and is not contingent consideration of an acquirer in a business combination) in other comprehensive income with only dividend income recognised in profit or loss.

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Financial instruments *(Cont'd)*

Classification (Cont'd)

Classification and subsequent measurement of financial assets *(Cont'd)*

Financial assets are held at amortised cost or at FVOCI depend on the objectives of the business models under which the assets are held. A business model refers to how the Group manages financial assets to generate cash flows. The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

A financial asset is classified as 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 FVOCI as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Classification (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(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 (with the amortised cost being the gross carrying amount less the impairment allowance). If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI are measured at FVPL.

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

Financial assets

Impairment of financial assets

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

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

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

The Group always recognises lifetime ECL for accounts receivable that result from transactions within the scope of HKFRS 15 and the ECL on these assets are assessed individually for debtors with significant balances and/or collectively with debtors having similar credit ratings.

For all other instruments, the Group applies the general approach to measure ECL for all financial assets, if any, which are subject to impairment under HKFRS 9. On this basis, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL.

(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, if applicable, that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Regarding loans and advances to margin clients, the criteria of significant increase in credit risk involves changes in the predetermined ratio of the market value of pledged collateral to the outstanding margin loan that triggers a margin call, and the number of outstanding days of the margin call. Further details for the significant increase in credit risk are detailed in note 21.

In respect of financial assets except for loans and advances to margin clients, the following information is taken into account when assessing whether credit risk has increased significantly:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets (Cont'd)

Impairment of financial assets *(Cont'd)*

(i) Significant increase in credit risk *(Cont'd)*

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 (except for loans and advances to margin clients where a shorter period of “past due” has been applied by the directors in view of the nature of business operation and practice in managing the credit risk), unless the Group has reasonable and supportable information that demonstrates otherwise. Information that will be taken into account when assessing significant increase in credit risk are also set out in note 39.

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 the event of default occurs when the 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).

In respect of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due (except for loans and advances to margin clients where a shorter period of “past due” has been applied by the directors in view of the nature of business operation and practice in managing the credit risk) unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(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:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) 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
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default are based on historical data, general economic conditions 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 estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets (Cont'd)

Impairment of financial assets *(Cont'd)*

(v) Measurement and recognition of ECL *(Cont'd)*

ECL for accounts receivable are considered on a collective basis taking into consideration past due information, relevant credit information and forward looking macroeconomic information.

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

- Past-due status;
- Nature, size, background and industry of debtors; 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 from the beginning of the next reporting period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount and are recognised through a loss allowance account.

For investments in debt instruments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVOCI revaluation recycling reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the FVOCI revaluation recycling reserve in relation to accumulated loss allowance.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets (Cont'd)

Derecognition of financial assets (Cont'd)

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 a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the revaluation recycling reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

The Group classifies its financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) those designated as at FVTPL.

Conditions for classifying financial liabilities as held for trading are largely similar as the conditions for classifying financial assets as held for trading.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity (Cont'd)

Financial liabilities at FVTPL (Cont'd)

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Interest in consolidated investment fund attributable to other holders in 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.

As at year end, such financial liability of interest in consolidated investment fund attributable to other holders in consolidated investment funds is presented in "financial liabilities at fair value through profit or loss" in the consolidated statement of financial position.

Financial liabilities at amortised cost

Financial liabilities including accounts payable, other payables, repurchase agreements and interest-bearing bank borrowings and notes issued 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.

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity (Cont'd)

Financial assets and financial liabilities offsetting

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.

Cash and bank balances

For the purpose of the consolidated cash flow statement, cash and bank balances comprise cash on hand and demand deposits at bank, and term deposits with original maturity of three months or less at bank that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

Bank balances held on behalf of clients

The Group has classified clients' monies as bank balances held on behalf of clients under the current assets section of the consolidated statement of financial position and recognised a corresponding accounts payable to respective clients on grounds that the Group is liable for any loss or misappropriation of clients' monies.

Repurchase agreements

Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash received is recognised as repurchase agreements in the consolidated statement of financial position. Repurchase agreements continue to be recognised in the consolidated statement of financial position.

The difference between the sale and repurchase consideration is amortised over the period of the respective transaction using the effective interest method and is included in interest expenses.

Income tax

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Cont'd)*

Income tax *(Cont'd)*

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

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

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied to the same taxable entity by the same taxation authority.

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Revenue from contracts with customers

Revenue is recognised when control over service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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

(a) Brokerage business income

Brokerage commission income is recognised on a trade date basis when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business is recognised when the related services are rendered.

(b) Corporate finance business income

(i) Placing and underwriting fee income

Placing and underwriting fee income is recognised when the Group has fulfilled its obligations under the underwriting contract. Accordingly, the revenue is recognised at a point in time.

(ii) Financial advisory, compliance advisory and sponsorship fee income

Depending on the nature and the contract terms, the advisory service fee is recognised at a point in time when service is rendered, and sponsorship fee income is recognised over time based on the stage of completion of the contract, the services transferred to customers up to date.

(c) Asset management fee income

Asset management fee income includes periodic management fees calculated based on assets under management. The income is recognised over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The Group is also entitled to a performance fee when the performance meets certain levels in accordance with Private Placement Memorandum for the relevant performance period and it is recognised at the end of the relevant performance period, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

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

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. The Group also retains its previous retirement scheme (the "ORSO Scheme") registered under the Occupational Retirement Scheme Ordinance as a top-up benefit for its employees.

Contributions are made based on a percentage of the employees' relevant income or basic salaries, whichever is greater, and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme and the ORSO Scheme. For the ORSO Scheme, when the contribution exceeds the statutory maximum requirements, the excess contribution is credited as the employer's voluntary contribution to the ORSO Scheme. The employer's mandatory contributions to the MPF Scheme vest fully with the employees when contributed into the MPF Scheme. The employer's voluntary contributions to the ORSO Scheme vest with the employees according to the vesting scale of the ORSO Scheme. Forfeited contributions in respect of employees who leave the Group before their contributions fully vest are available to the Group to offset its future voluntary contributions.

The assets of the MPF Scheme and the ORSO Scheme are held separately from those of the Group in independently administered funds.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont'd)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

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

When the functional currencies of overseas subsidiaries are currencies other than Hong Kong dollars, as at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management, who are the chief operating decision maker of the Group, for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

3. SIGNIFICANT JUDGMENT AND ACCOUNTING ESTIMATES

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

Estimation uncertainty

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

Fair value measurement of unlisted equity recorded under the financial instruments categorised as level 3

The fair value of the unlisted equity recorded under the financial instruments categorised as level 3 is determined by the management together with the third-party professional valuer, with significant estimation and unobservable inputs, including selection of comparable companies and consideration of pricing multiple by using valuation techniques in accordance with the Group's material accounting policies in note 2.5. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant estimation and inputs thereof. Changes in assumptions relating to these factors could affect the reported fair value of this unlisted equity. See note 38 for further disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has five reportable and operating segments as disclosed in the below table.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. There is no measure of total assets and liabilities for reportable segments regularly provided to the chief operating decision maker.

| | Enterprise finance | | | | | | |
|--|----------------------------------|-------------------------------------|----------------------------------|--|---------------------------------|--------------------|-------------------|
| | Corporate finance HK\$'000 | Principal investment HK\$'000 | Wealth management HK\$'000 | Institutional services and trading HK\$'000 | Asset management HK\$'000 | Others HK\$'000 | Total HK\$'000 |
| Year ended 31 December 2025 | | | | | | | |
| Revenue from contract with customers | 124,075 | — | 115,025 | 75,425 | 12,017 | — | 326,542 |
| Interest income calculated using the effective interest method | — | — | 175,320 | 37,233 | — | — | 212,553 |
| Net gains/(losses) on financial instruments | — | (17,063) | — | 137,817 | — | — | 120,754 |
| Segment revenue from external customers | 124,075 | (17,063) | 290,345 | 250,475 | 12,017 | — | 659,849 |
| Other gains, net | — | 7,013 | — | — | — | 6,456 | 13,469 |
| Segment revenue and other gains/(losses) from external customers | 124,075 | (10,050) | 290,345 | 250,475 | 12,017 | 6,456 | 673,318 |
| Segment results and profit/(loss) before taxation | 18,224 | (10,765) | 86,822 | 49,473 | (10,992) | 6,456 | 139,218 |
| Other segment information: | | | | | | | |
| Interest income | — | — | 175,320 | 37,233 | — | — | 212,553 |
| Interest expenses | 1,347 | — | 24,151 | 41,139 | — | — | 66,637 |
| Depreciation expenses | 8,678 | — | 20,669 | 17,448 | 959 | — | 47,754 |
| Capital expenditure | 1,378 | — | 3,226 | 2,783 | 134 | — | 7,521 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (Cont'd)

| | Enterprise finance | | | Institutional services and trading | Asset management | Others | Total |
|--|--------------------|----------------------|-------------------|------------------------------------|------------------|----------|-----------|
| | Corporate finance | Principal investment | Wealth management | | | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Year ended 31 December 2024 | | | | | | | |
| Revenue from contract with customers | 89,921 | — | 70,050 | 61,025 | 11,258 | — | 232,254 |
| Interest income calculated using the effective interest method | — | — | 196,077 | 55,508 | — | — | 251,585 |
| Net gains/(losses) on financial instruments | — | (435,635) | — | 7,693 | — | — | (427,942) |
| Segment revenue from external customers | 89,921 | (435,635) | 266,127 | 124,226 | 11,258 | — | 55,897 |
| Other gains, net | — | 248,887 | — | — | — | 1,451 | 250,338 |
| Segment revenue and other gains/(losses) from external customers | 89,921 | (186,748) | 266,127 | 124,226 | 11,258 | 1,451 | 306,235 |
| Segment results and (loss)/profit before taxation | (9,867) | (178,079) | 67,680 | 11,894 | (26,649) | 1,451 | (133,570) |
| Other segment information: | | | | | | | |
| Interest income | — | — | 196,078 | 55,507 | — | — | 251,585 |
| Interest expenses | 1,158 | — | 24,164 | 7,301 | 4,118 | — | 36,741 |
| Depreciation expenses | 9,049 | — | 26,712 | 12,544 | 1,279 | — | 49,584 |
| Capital expenditure | 1,112 | — | 3,379 | 1,617 | 139 | — | 6,247 |

Geographical information

The Group's operations are substantially located in Hong Kong and substantially all non-current assets of the Group are located in Hong Kong. Therefore, no further analysis of geographical information is presented.

Information about major customers

As the revenue from sales of goods or rendering of services attributable to the 5 largest customers combined is less than 30% of the Group's total revenue and no single customer contributed 10% or more of the Group's total revenue during the year, no information about major customers is presented in pursuant to the Main Board Listing Rules.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

5. REVENUE AND OTHER GAINS, NET

An analysis of revenue, which is also the Group's turnover and other gains, net, is as follows:

Disaggregation of revenue and other gains, net

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Fee and commission income: | | |
| <i>Revenue from contracts with customers within the scope of HKFRS 15:</i> | | |
| Commission on securities dealing in | | |
| — Hong Kong listed securities | 121,411 | 63,159 |
| — Other than Hong Kong listed securities | 35,721 | 29,730 |
| Commission on futures and options contracts dealing | 7,612 | 10,225 |
| Initial public offering, placing, underwriting and sub-underwriting commission | 99,608 | 72,541 |
| Financial advisory, compliance advisory, sponsorship fee income and others | 24,851 | 17,500 |
| Management fee, investment advisory fee income and performance fee income | 12,017 | 11,258 |
| Handling fee income | 10,009 | 6,469 |
| Research fee income and other service income | 15,313 | 21,372 |
| | 326,542 | 232,254 |
| Timing of revenue recognition | | |
| At point in time | 296,944 | 217,108 |
| Over time | 29,598 | 15,146 |
| | 326,542 | 232,254 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

5. REVENUE AND OTHER GAINS, NET (Cont'd)

Disaggregation of revenue and other gains, net (Cont'd)

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Income from interest-bearing transactions: | | |
| <i>Interest income calculated using the effective interest method:</i> | | |
| Interest income from banks and others | 122,744 | 149,796 |
| Interest income from initial public offering loans | 958 | 186 |
| Interest income from loans to cash clients and margin clients | 87,396 | 88,968 |
| | 211,098 | 238,950 |
| Income from investment business: | | |
| <i>Interest income calculated using the effective interest method:</i> | | |
| Interest income from debt securities | 1,455 | 12,635 |
| <i>Income from other sources:</i> | | |
| Net gains/(losses) on financial instruments: | | |
| — Equities and futures | (17,063) | (435,607) |
| — Debt securities and derivatives | 110,608 | 1,979 |
| — Structured products | 27,209 | 5,686 |
| | 122,209 | (415,307) |
| | 659,849 | 55,897 |
| Other gains, net: | | |
| Exchange gains, net | 6,162 | 2,017 |
| Changes in net assets value attributable to other holders of a consolidated investment fund | 7,013 | 248,887 |
| Government subsidy | 294 | — |
| Loss on disposal of Club Debenture | — | (566) |
| | 13,469 | 250,338 |

In accordance with HKFRS 10 Consolidated Financial Statements, the income and expenses of an investment fund under control are included in the consolidated statement of profit or loss and other comprehensive income. For the year ended 31 December 2025, the impacts arising from fair value change of unlisted equity under the consolidated investment fund are included in the net losses in equities and futures of HK\$17 million (2024: net loss of HK\$436 million) and other gains on changes in net assets value attributable to other holders of a consolidated investment fund of HK\$7 million (2024: other gains of HK\$249 million) are recognised. The net impact arising from the fair value change in the unlisted equity under the consolidated investment fund amounted to a loss of HK\$10 million (2024: loss of HK\$187 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

5. REVENUE AND OTHER LOSSES, NET (Cont'd)

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

For sponsorship business contracts in existence as at 31 December 2025, the Group will recognise the expected revenue in future when the remaining performance obligations under the contracts are satisfied. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. All other services to be provided by the Group are expected to cover periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is also not disclosed.

6. OTHER EXPENSES

Net charges/(reversal) for expected credit losses

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Reversal on impairment losses on accounts receivable | (310) | (2,117) |
| (Reversal)/charges on impairment losses on loans and advances | (1) | 4 |
| Charges/(reversal) on impairment losses on financial assets at FVOCI | 2,131 | (3,520) |
| Charges/(reversal) on impairment losses on other financial assets at amortised cost | 698 | (873) |
| Charges/(reversal) on impairment losses on fixed deposits | 451 | (610) |
| Reversal on impairment losses on reverse repurchase agreements | — | (75) |
| | 2,969 | (7,191) |

Other expenses

The Group's other expenses comprise the followings:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---------------------------------------|------------------|------------------|
| System expenses and maintenance | 48,427 | 47,840 |
| Office utilities expenses | 11,398 | 13,571 |
| Clearing house and custody fee | 7,022 | 7,063 |
| Introduction and advisory fee | 1,660 | 1,207 |
| Legal and professional fee | 5,011 | 5,213 |
| General office expenses | 2,949 | 4,064 |
| Travelling and transportation fee | 4,622 | 4,535 |
| Public relation and entertainment fee | 903 | 955 |
| Repairs and maintenance expense | 471 | 608 |
| Exchange expense | 4,549 | 1,652 |
| Bank charges | 3,215 | 2,335 |
| Others | 7,763 | 5,745 |
| | 97,990 | 94,788 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

7. PROFIT/(LOSS) BEFORE TAXATION

The Group's profit/(loss) before taxation is arrived at after charging:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Employee benefit expenses (including directors' emoluments — note 8): | | |
| Salaries and other staff costs | 242,177 | 222,591 |
| Retirement benefit scheme contributions | 13,041 | 15,060 |
| Less: Forfeited contributions | (4,099) | (4,548) |
| Net retirement benefit scheme contributions | 8,942 | 10,512 |
| | 251,119 | 233,103 |
| Interest expenses | | |
| — Loans | 47,465 | 12,815 |
| — Account payables to clients | 7,427 | 20,961 |
| — Lease liabilities | 1,956 | 1,545 |
| — Repurchase agreements | 3,841 | – |
| — Notes issued | 5,948 | 1,420 |
| | 66,637 | 36,741 |
| Depreciation expenses | 47,754 | 49,584 |
| Auditors' remuneration | 2,511 | 3,053 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

8. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Fees | 762 | 394 |
| Other emoluments: | | |
| Salaries, allowances and benefits in kind | 2,577 | 3,840 |
| Retirement benefit scheme contributions | 285 | 384 |
| | 2,862 | 4,224 |
| | 3,624 | 4,618 |

Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Kwok Lam Kwong Larry | 280 | 180 |
| Liu Chijin | 280 | 92 |
| Chiu Lai Kuen Susanna (appointed on 11 April 2025) | 202 | — |
| Ng Wing Hang Patrick (resigned on 9 November 2024) | — | 90 |
| Chen Liqiang (resigned on 5 March 2024) | — | 32 |
| | 762 | 394 |

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil). The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

8. DIRECTORS' EMOLUMENTS (Cont'd)

Executive directors and non-executive directors

The emoluments paid to executive directors and non-executive director during the year was as follows:

| | Fees HK\$'000 | Salaries, allowances and benefits in kind HK\$'000 | Retirement benefit scheme contributions HK\$'000 | Total emoluments HK\$'000 |
|---|------------------|--|--|---------------------------------|
| 2025 | | | | |
| Executive directors: | | | | |
| Wu Meng | — | — | — | — |
| Tan Weijun (resigned on 22 September 2025) | — | — | — | — |
| Liang Jun | — | 2,577 | 285 | 2,862 |
| Hu Jing (resigned on 13 March 2026) | — | — | — | — |
| Li Shouwei (appointed on 15 October 2025) | — | — | — | — |
| | — | 2,577 | 285 | 2,862 |
| Non-executive director: | | | | |
| Zhang Lei | — | — | — | — |
| Zhang Ying (appointed on 31 July 2025) | — | — | — | — |
| | — | 2,577 | 285 | 2,862 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

8. DIRECTORS' EMOLUMENTS (Cont'd)

Executive directors and non-executive directors (Cont'd)

| | Fees HK\$'000 | Salaries, allowances and benefits in kind HK\$'000 | Retirement benefit scheme contributions HK\$'000 | Total emoluments HK\$'000 |
|--|------------------|--|--|---------------------------------|
| 2024 | | | | |
| Executive directors: | | | | |
| Wu Meng | — | — | — | — |
| Tan Weijun | — | — | — | — |
| Liang Jun | — | 3,840 | 384 | 4,224 |
| Hu Jing | — | — | — | — |
| | — | 3,840 | 384 | 4,224 |
| Non-executive director: | | | | |
| Zhang Lei | — | — | — | — |
| Ren Xiaotao (resigned on 25 September 2024) | — | — | — | — |
| | — | 3,840 | 384 | 4,224 |

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable.

Certain directors received emoluments from Shenwan Hongyuan Securities Co., Ltd., an intermediate holding company of the Group.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year. For both years, no remuneration was paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year include one director (2024: one), details of whose emoluments are set out in note 8 above. Details of the remuneration for the year of the four (2024: four) non-directors, highest paid employees are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Salaries, allowances and benefits in kind | 9,000 | 10,440* |
| Bonuses | 1,815 | 1,323* |
| Retirement benefit scheme contributions | 824 | 923* |
| | 11,639 | 12,686 |

| | Number of employees | |
|--------------------------------|---------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 |
| HK\$2,500,001 to HK\$3,000,000 | 3 | 2* |
| HK\$3,000,001 to HK\$3,500,000 | 1 | 1* |
| HK\$3,500,001 to HK\$4,000,000 | — | 1* |
| | 4 | 4 |

* The amount in 2024 was restated upon completion of evaluation of the performance of the employees in 2025. Upon completion of evaluation of the performance of employees, the list of four non-directors, highest paid employees are updated. The number of employees is updated accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

10. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Current tax — Hong Kong Profits Tax | | |
| Provision for the year | 14 | 874 |
| Under-provision in respect of prior years | 198 | 118 |
| | 212 | 992 |
| Current tax — Income taxes under Pillar Two Rules | | |
| Provision for the year | 18,600 | — |
| Current tax — Other | (154) | 17 |
| Deferred tax (<i>note 17</i>) | (376) | 26,147 |
| | 18,282 | 27,156 |

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the appropriate current rates of tax prevailing in the jurisdictions in which the Group operates.

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong. The top-up tax relates to the Group's operation in Hong Kong where the annual effective income tax rate is estimated to be below 15%. Therefore, a top-up tax is accrued in the current year using the tax rate based on the estimated adjusted covered taxes and net globe income for the year. The Group has recognised a current tax expense of HK\$18,600,000 related to the top-up tax for the year ended 31 December 2025 which is expected to be levied on the immediate holding company and recharged to the Group.

The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

10. INCOME TAX (Cont'd)

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

A reconciliation of the tax expense applicable to profit/(loss) before taxation at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense for the year at the effective tax rate is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Profit/(loss) before taxation | 139,218 | (133,570) |
| Tax at the statutory tax rate of 16.5% (2024: 16.5%) | 22,971 | (22,039) |
| Under-provision in respect of prior years | 198 | 118 |
| Tax effect of non-taxable income | (38,164) | (21,472) |
| Tax effect of non-deductible expenses | 14,342 | 3,250 |
| Effect of different tax rates of companies operating in other jurisdictions | — | 2 |
| Tax effect of tax losses not recognised | 6,518 | 46,957 |
| Tax effect of utilisation of unrecognised tax loss | (5,966) | (4,882) |
| Reversal of tax losses previously recognised as deferred tax assets | — | 25,520 |
| Overseas tax | (217) | 17 |
| Top-up tax under Pillar Two Rules | 18,600 | — |
| Others | — | (315) |
| Tax expense for the year at the Group's effective rate (2025: 13.1%; 2024: (20.3%)) | 18,282 | 27,156 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

11. DIVIDEND

(a) Dividends payable to equity shareholders of the Company attributable to the year

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Final dividend proposed after the end of the reporting period of HK nil cents (2024: HK nil cents) | — | — |

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Final dividend in respect of the previous financial year, approved and paid during the year, of HK nil cents (2024: HK nil cents) per ordinary share | — | — |

12. BASIC EARNING/(LOSS) PER SHARE

Basic earning/(loss) per share is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The Group had no potentially dilutive ordinary shares in issue during both years. As at 31 December 2025, the total number of the issued ordinary shares was 1,561,138,689 shares (2024: 1,561,138,689 shares).

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Earnings | | |
| Profit/(loss) for the year attributable to ordinary equity holders of the Company (HK\$'000) | 120,936 | (160,726) |
| Number of shares | | |
| Weighted average number of ordinary shares in issue (in thousands) | 1,561,139 | 1,561,139 |
| Basic earning/(loss) per share (HK cents per share) | 7.75 | (10.30) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT

| | Buildings HK\$'000 | Leasehold improvements HK\$'000 | Furniture, fixtures and equipment HK\$'000 | Motor vehicles HK\$'000 | Total HK\$'000 |
|--|-----------------------|---------------------------------------|---|-------------------------------|-------------------|
| At 31 December 2025 | | | | | |
| At 31 December 2024 and 1 January 2025: | | | | | |
| Cost | 4,095 | 32,710 | 68,858 | 1,444 | 107,107 |
| Accumulated depreciation | (3,310) | (31,362) | (60,775) | (757) | (96,204) |
| Net carrying amount | 785 | 1,348 | 8,083 | 687 | 10,903 |
| Opening net carrying amount | 785 | 1,348 | 8,083 | 687 | 10,903 |
| Additions | — | 689 | 6,832 | — | 7,521 |
| Depreciation provided during the year | (41) | (1,348) | (5,037) | (161) | (6,587) |
| Disposal: | | | | | |
| — Cost | — | (12,277) | (27,027) | — | (39,304) |
| — Accumulated depreciation | — | 12,277 | 27,027 | — | 39,304 |
| Closing net carrying amount | 744 | 689 | 9,878 | 526 | 11,837 |
| At 31 December 2025: | | | | | |
| Cost | 4,095 | 21,122 | 48,663 | 1,444 | 75,324 |
| Accumulated depreciation | (3,351) | (20,433) | (38,785) | (918) | (63,487) |
| Net carrying amount | 744 | 689 | 9,878 | 526 | 11,837 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

| | Buildings HK\$'000 | Leasehold improvements HK\$'000 | Furniture, fixtures and equipment HK\$'000 | Motor vehicles HK\$'000 | Total HK\$'000 |
|--|-----------------------|---------------------------------------|---|-------------------------------|-------------------|
| At 31 December 2024 | | | | | |
| At 31 December 2023 and 1 January 2024: | | | | | |
| Cost | 4,095 | 49,021 | 79,833 | 1,025 | 133,974 |
| Accumulated depreciation | (3,259) | (45,659) | (74,515) | (659) | (124,092) |
| Net carrying amount | 836 | 3,362 | 5,318 | 366 | 9,882 |
| Opening net carrying amount | 836 | 3,362 | 5,318 | 366 | 9,882 |
| Additions | — | — | 5,828 | 419 | 6,247 |
| Depreciation provided during the year | (51) | (2,014) | (3,063) | (98) | (5,226) |
| Disposal: | | | | | |
| — Cost | — | (16,311) | (16,803) | — | (33,114) |
| — Accumulated depreciation | — | 16,311 | 16,803 | — | 33,114 |
| Closing net carrying amount | 785 | 1,348 | 8,083 | 687 | 10,903 |
| At 31 December 2024: | | | | | |
| Cost | 4,095 | 32,710 | 68,858 | 1,444 | 107,107 |
| Accumulated depreciation | (3,310) | (31,362) | (60,775) | (757) | (96,204) |
| Net carrying amount | 785 | 1,348 | 8,083 | 687 | 10,903 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

14. RIGHT-OF-USE ASSETS

| | Properties and equipment leased for own use carried at cost HK\$'000 |
|--|--|
| COST | |
| At 1 January 2024 | 163,991 |
| Additions | 2,244 |
| Termination/matured of lease | (5,722) |
| At 31 December 2024 and 1 January 2025 | 160,513 |
| Additions | 131,545 |
| Termination/matured of lease | (141,714) |
| At 31 December 2025 | 150,344 |
| ACCUMULATED DEPRECIATION | |
| At 1 January 2024 | (87,383) |
| Charge for the year | (44,358) |
| Termination/matured of lease | 5,454 |
| At 31 December 2024 and 1 January 2025 | (126,287) |
| Charge for the year | (41,167) |
| Termination/matured of lease | 141,714 |
| At 31 December 2025 | (25,740) |
| NET BOOK VALUE | |
| At 31 December 2025 | 124,604 |
| At 31 December 2024 | 34,226 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

14. RIGHT-OF-USE ASSETS (Cont'd)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Depreciation charge of right-of-use assets by class of underlying asset: | | |
| Properties leased for own use | 40,949 | 44,139 |
| Plant, machinery and equipment | 218 | 219 |
| | 41,167 | 44,358 |
| Interest on lease liabilities (note 24(b)) | 1,956 | 1,545 |
| Expense relating to short-term leases | 269 | 523 |
| Expense relating to low-value assets | 48 | 34 |

During the year, additions to right-of-use assets were HK\$131,545,000 (2024: HK\$2,244,000). This amount primarily related to the capitalised lease payments payable under new tenancy agreements. 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 total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases that are not yet commenced are set out in notes 24(c) and 31 respectively.

15. STOCK AND FUTURES EXCHANGE TRADING RIGHTS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Cost and carrying amount as at 1 January and 31 December | 4,212 | 4,212 |

16. OTHER ASSETS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Deposits with exchanges and clearing houses | 41,376 | 22,004 |
| Unlisted club debentures | 1,600 | 1,600 |
| Other deposits | 1,113 | 1,183 |
| | 44,089 | 24,787 |

None of the above assets is past due. There are no material expected credit losses for the deposits with exchanges and clearing houses and other deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

17. DEFERRED TAX

The movements in deferred tax assets and liability during the year are as follows:

| | Losses available for offsetting against future taxable profits HK\$'000 | Deductible temporary differences HK\$'000 | Credit loss allowance HK\$'000 | Fair value movement of financial assets at FVOCI HK\$'000 | Total HK\$'000 |
|--|---|--|--------------------------------------|---|-------------------|
| Deferred tax assets | | | | | |
| 1 January 2024 | 25,520 | 47 | 356 | 820 | 26,743 |
| Deferred tax charged to the consolidated statement of profit or loss during the year (note 10) | (25,520) | (8) | (338) | — | (25,866) |
| Deferred tax charged to the reserves during the year | — | — | — | (820) | (820) |
| At 31 December 2024 and 1 January 2025 | — | 39 | 18 | — | 57 |
| Deferred tax charged to the consolidated statement of profit or loss during the year (note 10) | — | (8) | (18) | — | (26) |
| At 31 December 2025 | — | 31 | — | — | 31 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

17. DEFERRED TAX (Cont'd)

| | Accelerated tax depreciation HK\$'000 |
|---|--|
| Deferred tax liabilities | |
| At 1 January 2024 | 546 |
| Deferred tax charged to the consolidated statement of profit or loss during the year (note 10) | 281 |
| At 31 December 2024 and 1 January 2025 | 827 |
| Deferred tax credited to the consolidated statement of profit or loss during the year (note 10) | (402) |
| At 31 December 2025 | 425 |

The Group has unrecognised tax losses arising in Hong Kong of HK\$2,266,150,000 (2024: HK\$2,262,806,000), subject to agreement by the Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is uncertain whether sufficient future taxable profits will be available from these group companies against which the tax losses can be utilised. At 31 December 2025 and 2024, there was no significant unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Financial assets at fair value through profit or loss | | |
| Debt securities | 3,552,654 | 2,001,908 |
| Unlisted equity | — | 16,993 |
| Unlisted funds | 2,125,924 | 984,890 |
| Derivative financial instruments | 149,803 | 28,252 |
| | 5,828,381 | 3,032,043 |

Note: As at 31 December 2025, debt securities of HK\$1,021 million (2024: HK\$1,010 million) and unlisted funds of HK\$2,126 million (2024: HK\$985 million) are acquired by the Group driven by the structure notes issued as disclosed in note 25 and become their underlying investments and hedging items for the risk of economic exposure on these structure notes issued, of which the pay-outs are linked to the values or returns of the above underlying investments.

The following tables summarise the contract/notional amounts and fair values of each class of derivative financial instruments as at 31 December:

| | 2025 | | |
|-------------------------|---|--------------------|-------------------------|
| | Contract/ notional amount HK\$'000 | Fair values | |
| | | Assets HK\$'000 | Liabilities HK\$'000 |
| Total return swap | 17,173 | 8,017 | (8,017) |
| Exchange rate contracts | | | |
| Swaps | 50,314 | 100 | (82) |
| Equity options | 1,042,786 | 141,686 | (141,686) |
| | | 149,803 | (149,785) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Cont'd)

| | 2024 | | |
|-------------------------|---|--------------------|-------------------------|
| | Contract/ notional amount HK\$'000 | Fair values | |
| | | Assets HK\$'000 | Liabilities HK\$'000 |
| Total return swap | 19,368 | 18,298 | (18,298) |
| Exchange rate contracts | | | |
| Swaps | 56,010 | 1,452 | (119) |
| Equity options | 196,542 | 8,502 | (8,502) |
| | | 28,252 | (26,919) |

19. OTHER FINANCIAL ASSETS

(a) Other financial assets comprises:

| | As at 31 December 2025 HK\$'000 | As at 31 December 2024 HK\$'000 |
|--|--|--|
| Financial assets at fair value through other comprehensive income | — | 3,682 |
| Financial assets at amortised cost | — | 140,821 |
| | — | 144,503 |

Analysis by maturity dates:

| | As at 31 December 2025 HK\$'000 | As at 31 December 2024 HK\$'000 |
|------------------------|--|--|
| Debt securities | | |
| Within 12 months | — | 144,503 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

19. OTHER FINANCIAL ASSETS (Cont'd)

(b) Financial assets at fair value through other comprehensive income

| | As at 31 December 2025 HK\$'000 | As at 31 December 2024 HK\$'000 |
|---------------------------------------|--|--|
| Debt securities, at fair value (Note) | — | 3,682 |

Note: The Group has recognised a charge of expected credit losses in respect of financial assets at FVOCI of HK\$2,131,000 in the statement of profit or loss during the year (2024: Reversal of HK\$3,520,000). As at 31 December 2025, no allowance for expected credit losses has been included in revaluation recycling reserve (2024: HK\$129,662,000).

As at 31 December 2025 and 2024, the accumulated loss balance in respect of changes in fair value of the Group's financial assets at fair value through other comprehensive income recognised in other comprehensive income amounted to HK\$nil and HK\$129,662,000 respectively.

Movement in expected credit losses is as follows:

| | For the year ended 31 December 2025 | | | | For the year ended 31 December 2024 | | | |
|--|-------------------------------------|---------------------|---------------------|-------------------|-------------------------------------|---------------------|---------------------|-------------------|
| | Expected credit loss | | | | Expected credit loss | | | |
| | Stage 1 HK\$'000 | Stage 2 HK\$'000 | Stage 3 HK\$'000 | Total HK\$'000 | Stage 1 HK\$'000 | Stage 2 HK\$'000 | Stage 3 HK\$'000 | Total HK\$'000 |
| At 1 January | — | — | 129,662 | 129,662 | 1,317 | 85 | 258,978 | 260,380 |
| Impairment losses charged/ (credited) to profit or loss | — | — | 2,131 | 2,131 | (1,317) | (85) | (2,118) | (3,520) |
| Derecognised upon disposal | — | — | (131,793) | (131,793) | — | — | (127,198) | (127,198) |
| At 31 December | — | — | — | — | — | — | 129,662 | 129,662 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

19. OTHER FINANCIAL ASSETS (Cont'd)

(c) Financial assets at amortised cost

| | As at 31 December 2025 HK\$'000 | As at 31 December 2024 HK\$'000 |
|---|--|--|
| Debt investments | — | 201,864 |
| Less: Impairment loss on financial assets at amortised cost | — | (61,043) |
| | — | 140,821 |

During the year, a charge of expected credit losses of HK\$698,000 was recognised (for the year ended 31 December 2024: a reversal of HK\$873,000) in the statement of profit or loss.

| | For the year ended 31 December 2025 | | | | For the year ended 31 December 2024 | | | |
|--|-------------------------------------|----------|----------|----------|-------------------------------------|----------|----------|----------|
| | Expected credit loss | | | | Expected credit loss | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 January | 111 | — | 60,932 | 61,043 | 756 | — | 61,160 | 61,916 |
| Impairment losses (credited)/ charged to profit or loss | (111) | — | 809 | 698 | (645) | — | (228) | (873) |
| Derecognised upon disposal | — | — | (61,741) | (61,741) | — | — | — | — |
| At 31 December | — | — | — | — | 111 | — | 60,932 | 61,043 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

20. ACCOUNTS RECEIVABLE

(a) Accounts receivable comprise:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|---------------------------------|---------------------------------|
| Accounts receivable arising from securities dealing | | |
| — Advances to cash clients | 33,239 | 27,711 |
| — Cash clients | 176,731 | 61,082 |
| — Brokers and dealers | 365,136 | 238,611 |
| — Clearing houses | 182,144 | 244,469 |
| | 757,250 | 571,873 |
| Accounts receivable arising from corporate finance, advisory and other services | | |
| — Corporate clients | 31,172 | 33,702 |
| | 788,422 | 605,575 |
| Less: Expected credit losses | (7,178) | (7,489) |
| Total | 781,244 | 598,086 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

20. ACCOUNTS RECEIVABLE (Cont'd)

(a) Accounts receivable comprise (Cont'd)

As at 1 January 2024, accounts receivable from contracts with customers amounted to HK\$396,000,000.

The carrying values of accounts receivables arising from the course of business of the Group are as follows:

| | Accounts receivable from securities dealing | | | Accounts receivable arising from corporate finance, advisory and other services: | Total HK\$'000 |
|--|---|----------------------------------|------------------------------|--|-------------------|
| | Cash clients* HK\$'000 | Brokers and dealers* HK\$'000 | Clearing houses* HK\$'000 | Corporate clients HK\$'000 | |
| At 31 December 2025 | | | | | |
| Gross carrying amount | 209,970 | 365,136 | 182,144 | 26,523 | 783,773 |
| Less: 12m ECL | (1) | (1,161) | (72) | — | (1,234) |
| Less: Lifetime ECL (non-credit impaired) | — | — | — | (1,295) | (1,295) |
| | 209,969 | 363,975 | 182,072 | 25,228 | 781,244 |
| Stage 3 | | | | | |
| Gross carrying amount | — | — | — | 4,649 | 4,649 |
| Less: ECL (Credit impaired) | — | — | — | (4,649) | (4,649) |
| | — | — | — | — | — |
| Total | 209,969 | 363,975 | 182,072 | 25,228 | 781,244 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

20. ACCOUNTS RECEIVABLE (Cont'd)

(a) Accounts receivable comprise (Cont'd)

| | Accounts receivable from securities dealing | | | Accounts receivable arising from corporate finance, advisory and other services: | Total HK\$'000 |
|--|---|----------------------|------------------|--|-------------------|
| | Cash clients* | Brokers and dealers* | Clearing houses* | Corporate clients | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| At 31 December 2024 | | | | | |
| Gross carrying amount | 88,793 | 238,611 | 244,469 | 28,770 | 600,643 |
| Less: 12m ECL | (26) | (991) | (111) | — | (1,128) |
| Less: Lifetime ECL (non-credit impaired) | — | — | — | (1,429) | (1,429) |
| | 88,767 | 237,620 | 244,358 | 27,341 | 598,086 |
| Stage 3 | | | | | |
| Gross carrying amount | — | — | — | 4,932 | 4,932 |
| Less: ECL (Credit impaired) | — | — | — | (4,932) | (4,932) |
| | — | — | — | — | — |
| Total | 88,767 | 237,620 | 244,358 | 27,341 | 598,086 |

* Subject to stage 1 12m ECL

Note: During the year ended 31 December 2024, the Group has written off the accounts receivable arising from corporate finance, advisory and other services of gross carrying amount of approximately HK\$614 million which has been fully impaired during the year when there was information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery due to the accounts receivable being over two years past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

20. ACCOUNTS RECEIVABLE (Cont'd)

(b) Ageing analysis of accounts receivable

An ageing analysis of accounts receivable from cash clients and advances to cash clients (before impairment) based on the trade date are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------|------------------|------------------|
| Within 1 month | 191,526 | 75,023 |
| 1 to 2 months | 4,689 | 1,875 |
| 2 to 3 months | 1,293 | 1,912 |
| Over 3 months | 12,462 | 9,983 |
| | 209,970 | 88,793 |

The ageing of accounts receivable from clearing houses, brokers and dealers are within one month and are not past due. They represent (1) pending trades arising from business of dealing in securities, which are normally due within a few days after the trade date, (2) deposits at clearing houses arising from the business of dealing in securities, futures and options contracts and (3) cash and deposits balances at brokers and dealers.

An ageing analysis of the accounts receivable from corporate clients arising from corporate finance, advisory and other services (before impairment) based on the invoice date are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------|------------------|------------------|
| Within 1 month | 25,273 | 26,853 |
| 1 to 2 months | 700 | 300 |
| 2 to 3 months | 550 | 1,000 |
| Over 3 months | 4,649 | 5,549 |
| | 31,172 | 33,702 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

20. ACCOUNTS RECEIVABLE (Cont'd)

(b) Ageing analysis of accounts receivable (Cont'd)

Save for the credit period allowed by the Group, the accounts receivable from cash clients shall be due on the settlement dates of the respective securities transactions. In view of the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Although the Group does not hold any collaterals or other credit enhancements over its accounts receivable from cash clients, the Group is allowed to dispose of the securities deposited by the customers with the Group to settle any overdue amounts. Advances to cash clients of HK\$33,239,000 (2024: HK\$27,711,000) bear interest at interest rates mainly with reference to the Hong Kong dollar prime rate. Advances to cash clients is covered by securities deposited with the Group of total market value HK\$1,650,624,000 (2024: HK\$1,374,349,000).

21. LOANS AND ADVANCES

Loans and advances represent loans and advances to margin clients amounted to HK\$1,497,285,000 (2024: HK\$1,158,277,000). Customers are required to provide collateral to the Group for the loans and advances granted. As at 31 December 2025, the total market value of the securities pledged by customers to the Group as collateral in respect of the above loans and advances to customers was HK\$5,440,115,000 (2024: HK\$4,907,356,000). None of such collateral was pledged with banks to secure the Group's utilised bank loans (note 29) and unutilised bank facilities as at 31 December 2025 and 31 December 2024.

The Group is allowed to dispose of the collateral in settlement of the customers' obligation to maintain the agreed level of margin and any other liability of the customers due to the Group. The Group is allowed to deposit the collateral with an authorised institution as collateral for financial accommodation provided to the Group according to the applicable legislations and regulations.

In view of the fact that the Group's loans and advances relate to a large number of diversified customers, there is no significant credit risk as the loan to collateral value ("LTV") for the top 10 margin clients are ranged from 9.30% to 65.4% (2024: 11.4% to 70.9%). Loans and advances to margin clients of HK\$1,497,285,000 (2024: HK\$1,158,277,000) bear interest at interest rates mainly with reference to the Hong Kong dollar prime rate.

During the years ended 31 December 2025 and 2024, the loans and advances to margin clients were measured at amortised cost as the directors determined the business model of the margin financing business was to hold and collect the contractual cash flows. As at 31 December 2025, balances of HK\$1,226,273,000, HK\$131,447,000 and HK\$139,569,000 with average LTV ratio 25.1%, 44.2% and 33.1% were categorised under credit risk grading assessment of 12m ECL, lifetime ECL — not credit-impaired and lifetime ECL — credit-impaired respectively (2024: balances HK\$1,037,560,000, HK\$1,644,000 and HK\$119,077,000 with average LTV ratio 22.2%, 16.7% and 52.2%). As at 31 December 2025, the expected credit losses HK\$3,500 (2024: HK\$3,800), the directors of the Company consider the impacts are immaterial to the Group taking into account the collateral value and therefore no reconciliation of loss allowances have been prepared. For the year ended 31 December 2025, a reversal of expected credit loss on loans and advance of HK\$1,000 was credited in profit or loss (2024: HK\$4,000 was charged in profit or loss).

The Group's loans and advances to customers were repayable on demand at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------------|------------------|------------------|
| Prepayments | 8,793 | 8,644 |
| Deposits and other receivables | 131,816 | 142,644 |
| | 140,609 | 151,288 |

None of the above assets is past due. The financial assets included in the above balances relate to counterparties for which there was no recent history of default. There was no material expected credit losses for these balances.

23. BANK BALANCES HELD ON BEHALF OF CLIENTS

The Group maintains segregated trust accounts with authorized banks to hold clients' monies in accordance with the relevant legislation. The Group is allowed to retain some or all of the interest on the clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations. There are no material expected credit losses for these balances.

As at 31 December 2025, allowance for expected credit losses of HK\$593,000 was recognised (2024: HK\$141,000) for bank balances held on behalf of clients.

24. CASH AND BANK BALANCES AND OTHER CASH FLOW INFORMATION

(a) Cash and bank balances:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Cash and cash equivalents | 864,738 | 401,280 |
| Bank deposits with a maturity of more than 3 months but less than 12 months | 25,000 | 38,500 |
| | 889,738 | 439,780 |

As at 31 December 2025, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$105,517,000 (2024: HK\$93,901,000).

Cash at bank balances earn interest at floating rates based on daily bank deposit rates. Short-term time deposit is made for one week, and earns interest at the respective short-term time deposit rates. The cash and bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2025, allowance for expected credit losses of HK\$9,000 was recognised (2024: HK\$10,000) for cash and bank balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

24. CASH AND BANK BALANCES AND OTHER CASH FLOW INFORMATION (Cont'd)

(b) Reconciliation of liabilities arising from financing activities

| | Lease liabilities (Note 31) HK\$'000 | Interest-bearing bank borrowings (Note 29) HK\$'000 | Notes issued (Note 30) HK\$'000 | Repurchase agreements (Note 28) HK\$'000 | Total HK\$'000 |
|---|--|--|---------------------------------------|---|-------------------|
| At 1 January 2025 | 53,098 | 435,772 | — | — | 488,870 |
| Change from financing cash flows: | | | | | |
| Proceeds from bank loans | — | 10,809,989 | — | — | 10,809,989 |
| Repayments on bank loans | — | (9,395,757) | — | — | (9,395,757) |
| Proceeds from notes issued | — | — | 586,860 | — | 586,860 |
| Repayments on notes issued | — | — | (353,400) | — | (353,400) |
| Proceeds from repurchase agreement | — | — | — | 930,543 | 930,543 |
| Repayments on repurchase agreement | — | — | — | (249,389) | (249,389) |
| Interest paid | — | (42,016) | (5,556) | (517) | (48,089) |
| Capital element of lease rentals paid | (43,802) | — | — | — | (43,802) |
| Interest element of lease rentals paid | (1,956) | — | — | — | (1,956) |
| | (45,758) | 1,372,216 | 227,904 | 680,637 | 2,234,999 |
| Other changes: | | | | | |
| Increase in lease liabilities from entering into new leases during the period | 131,545 | — | — | — | 131,545 |
| Interest expenses | 1,956 | 47,465 | 5,948 | 3,841 | 59,210 |
| At 31 December 2025 | 140,841 | 1,855,453 | 233,852 | 684,478 | 2,914,624 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

24. CASH AND BANK BALANCES AND OTHER CASH FLOW INFORMATION (Cont'd)

(b) Reconciliation of liabilities arising from financing activities (Cont'd)

| | Lease liabilities (Note 31) HK\$'000 | Interest-bearing bank borrowings (Note 29) HK\$'000 | Notes issued HK\$'000 | Total HK\$'000 |
|--|--|---|-----------------------------|-------------------|
| At 1 January 2024 | 95,336 | 234,360 | 416,547 | 746,243 |
| Change from financing cash flows: | | | | |
| Proceeds from bank loans | — | 7,212,110 | — | 7,212,110 |
| Repayments on bank loans | — | (7,011,498) | — | (7,011,498) |
| Net repayment from notes issued | — | — | (417,967) | (417,967) |
| Interest paid | — | (12,015) | — | (12,015) |
| Capital element of lease rentals paid | (44,215) | — | — | (44,215) |
| Interest element of lease rentals paid | (1,545) | — | — | (1,545) |
| | (45,760) | 188,597 | (417,967) | (275,130) |
| Other changes: | | | | |
| Increase in lease liabilities from entering into new leases during the period | 1,977 | — | — | 1,977 |
| Interest expenses | 1,545 | 12,815 | 1,420 | 15,780 |
| At 31 December 2024 | 53,098 | 435,772 | — | 488,870 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

24. CASH AND BANK BALANCES AND OTHER CASH FLOW INFORMATION (Cont'd)

(c) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-----------------------------|------------------|------------------|
| Within financing cash flows | 45,758 | 45,760 |
| Within operating cash flows | 317 | 557 |

These amounts relate to the following:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------|------------------|------------------|
| Lease rentals paid | 46,075 | 46,317 |

25. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

| | As at 31 December 2025 HK\$'000 | As at 31 December 2024 HK\$'000 |
|---|--|--|
| Structured notes issued (Note 18) | 3,149,895 | 2,001,127 |
| Derivative financial instruments (Note 18) | 149,785 | 26,919 |
| Interest in consolidated investment fund attributable to other holders (Note) | — | 6,975 |
| | 3,299,680 | 2,035,021 |

Note: As at 31 December 2025 and 2024, interest in consolidated investment fund attributable to other holders represented the share of net asset value of the investment fund held by third parties which was recorded as a liability since these third parties can, at their discretion at any time, redeem their participating shares for cash or in species by reference to the equivalent fair value of the investment fund at the date of redemption. As at 31 December 2025, there is no interest in consolidated investment fund attributable to other holders due to the investment fund is in a net liabilities position (2024: net asset position).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

26. ACCOUNTS PAYABLE

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-----------------------|------------------|------------------|
| Accounts payable | | |
| — Clients | 3,857,035 | 3,391,932 |
| — Brokers and dealers | 116,178 | 45,939 |
| — Clearing houses | 62,609 | 278 |
| | 4,035,822 | 3,438,149 |

All of the accounts payable are aged within one month or on demand.

27. OTHER PAYABLES AND ACCRUALS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------|------------------|------------------|
| Other payables | 83,209 | 154,506 |
| Accruals | 61,448 | 32,050 |
| | 144,657 | 186,556 |

Other payables are non-interest-bearing and repayable within one year. Included in other payables are amounts due to brokers of HK\$3,842,000 (2024: HK\$94,835,000) arising from the business of underwriting and placing services, and amount due to immediate holding company of HK\$18,600,000 (2024: nil) arising from top-up tax levied on the immediate holding company and recharged to the Group.

28. REPURCHASE AGREEMENTS

Analysed by collateral type:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------------------------|------------------|------------------|
| Debt securities | 681,154 | — |
| Accrued interests | 3,324 | — |
| Total | 684,478 | — |

As at 31 December 2025, the Group's debt securities measured at fair value through profit or loss amounted to HK\$777 million (2024: nil) were pledged as collateral in connection with repurchase agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

29. INTEREST-BEARING BANK BORROWINGS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Analysed into: | | |
| Bank loans repayable on demand, unsecured | 1,855,453 | 435,772 |

Notes:

- (a) The Group's bank borrowings bear interest at the Interbank Offered Rate plus an interest spread.
- (b) As at 31 December 2025 and 2024, none of the Group's bank loans was secured by the marketable securities pledged by customers to the Group.

As at 31 December 2025, the Company had provided guarantee to its subsidiary's bank loan facilities of HK\$1,724,390,000 (2024: HK\$1,719,485,000). None of them has been utilised as at 31 December 2025 (2024: HK\$nil).

- (c) As at 31 December 2025, borrowings are denominated in United States dollars, RMB and Hong Kong dollars (2024: denominated in United States dollars and Hong Kong dollars).
- (d) The carrying amounts of the Group's borrowings approximate to their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

30. NOTES ISSUED

There are 3 (2024: nil) notes issued amounted to HK\$233,852,000 (2024: HK\$nil), with original maturity periods less than one year, issued and outstanding as at 31 December 2025. In 2025, the coupon rate for the three funding notes ranged from 4.23% to 4.24% per annum.

31. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

| | 31 December 2025 | | 31 December 2024 | |
|--------------------------------------|--|---------------------------------------|--|---------------------------------------|
| | Present value of the minimum lease payments HK\$'000 | Total minimum lease payments HK\$'000 | Present value of the minimum lease payments HK\$'000 | Total minimum lease payments HK\$'000 |
| Within 1 year | 46,412 | 50,380 | 52,531 | 53,043 |
| After 1 year but within 2 years | 28,881 | 31,815 | 567 | 575 |
| After 2 years but within 5 years | 65,548 | 68,870 | — | — |
| | 94,429 | 100,685 | 567 | 575 |
| | 140,841 | 151,065 | 53,098 | 53,618 |
| Less: total future interest expenses | | (10,224) | | (520) |
| Present value of lease liabilities | | 140,841 | | 53,098 |
| Represent: | | | | |
| Current | | 46,412 | | 52,531 |
| Non-current | | 94,429 | | 567 |
| | | 140,841 | | 53,098 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

32. SHARE CAPITAL

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Issued and fully paid: | | |
| 1,561,138,689 (2024: 1,561,138,689) ordinary shares | 2,782,477 | 2,782,477 |

A summary of Company's share capital is as follows:

| | Number of shares in issue |
|--|---------------------------------|
| At 1 January 2024, 31 December 2024 and 31 December 2025 | 1,561,138,689 |

33. OTHER RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The Group's exchange reserve comprises all foreign exchange differences arising from the translations of the foreign operation.

The Group's revaluation recycling reserve represents the cumulative net change in the fair value of financial assets measured at FVOCI under HKFRS 9 that are held at the end of the reporting period and net of cumulative loss allowance. Net of amounts is reclassified to profit or loss when those financial assets are disposed of.

34. COMMITMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms of one to five years (2024: one to five years).

Short term lease commitment outstanding not provided for in the financial statements were as follow:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-----------------|------------------|------------------|
| Within one year | 1 | 15 |

At 31 December 2025 and 2024, the Group did not have any other significant commitments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

35. RELATED PARTY TRANSACTIONS

(a) Material related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

| | <i>Notes</i> | 2025 HK\$'000 | 2024 HK\$'000 |
|--|--------------|-------------------------|------------------|
| Commission expenses for brokerage services in relation to the PRC capital markets paid to a wholly-owned subsidiary of the ultimate holding company | <i>(i)</i> | 586 | 799 |
| Consultancy fee expenses for investment operational supporting services in relation to PRC and overseas market payable to a wholly-owned subsidiary of the ultimate holding company | <i>(ii)</i> | 8,026 | 3,020 |
| Consultancy fee income for investment operational supporting services in relation to Hong Kong and overseas markets payable by wholly-owned subsidiaries of the ultimate holding company | <i>(iii)</i> | 17,490 | 21,970 |
| Principal-to-principal trading of financial products with the subsidiaries of the ultimate holding company | <i>(iv)</i> | 3,544,330 | 5,447 |
| Commission income for brokerage services in relation to Hong Kong and overseas capital markets paid by wholly-owned subsidiaries of the ultimate holding company | <i>(v)</i> | 603 | 1,749 |
| Commission income for corporate finance services payable by a wholly-owned subsidiary of the ultimate holding company | <i>(vi)</i> | 2,017 | — |
| | | 3,573,052 | 32,985 |

Notes:

- (i) The commission expenses to a wholly-owned subsidiary of the ultimate holding company were calculated based on the prescribed percentage stated in the signed cooperation agreement for clients' transaction amount in Shenzhen and Shanghai B shares.
- (ii) The consultancy fee expenses for investment operational supporting services in relation to PRC and overseas market payable to a wholly-owned subsidiary of the ultimate holding company was charged at a fixed amount in accordance with the signed agreement with reference to actual cost incurred.
- (iii) The consultancy fee income for investment operational supporting services in relation to Hong Kong and overseas markets payable by wholly-owned subsidiaries of the ultimate holding company was calculated based on a fixed percentage of the relevant commission earned by the wholly-owned subsidiary of the ultimate holding company or the expected costs to be incurred for provision of the services. Certain amounts are outstanding and included in the accounts receivable balance as at 31 December 2025 and are unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

35. RELATED PARTY TRANSACTIONS (Cont'd)

(a) Material related party transactions (Cont'd)

Notes: (Cont'd)

- (iv) The principal-to-principal trading is between the Group and the subsidiaries of ultimate holding company. The amount represents the aggregate transaction value of debt securities traded and the total return swaps transactions made comprises the notional amount of underlying investments plus the return generated from the underlying investments.
- (v) The commission income paid by wholly-owned subsidiaries of the ultimate holding company were calculated based on the prescribed percentage stated in the signed cooperation agreement for clients' transaction amount in Hong Kong and overseas markets shares.
- (vi) The commission income fee for corporate finance service payable by a wholly-owned subsidiary of ultimate holding Company were charged at a fixed amount in accordance with the signed agreement with reference to actual cost incurred. The amount is included in the accounts payable balance as at 31 December 2025 and is unsecured, interest-free and repayable on demand.
- (vii) Included in the accounts receivable balance as disclosed in note 20 as at 31 December 2025 was receivable due from a wholly-owned subsidiary of the ultimate holding company of HK\$13,366,000 (2024: HK\$14,695,000) arising from brokerage services relating to the PRC capital markets. This balance is unsecured, interest-free and repayable on the settlement date of the relevant transactions.
- (viii) Included in the accounts receivable as disclosed in note 20 as at 31 December 2025 was consultancy fee receivable due from wholly-owned subsidiaries of the ultimate holding company of HK\$4,513,000 (2024: HK\$3,617,000) arising from supporting service related to assets management. This balance is unsecured, interest-free and repayable on the settlement date of the relevant transactions.
- (ix) Included in the other receivable balance as disclosed in note 22 as at 31 December 2025 was a receivable due from a wholly-owned subsidiary of the ultimate holding company of HK\$52,563,000 (2024: HK\$34,635,000) arising from supporting services relating to Hong Kong and overseas markets. This balance is unsecured, interest-free and repayable on the settlement date of the relevant transactions.
- (x) Included in the accounts payable balance as disclosed in note 26 as at 31 December 2025 was payable to wholly-owned subsidiaries of the ultimate holding company of the Company of HK\$37,354,000 (2024: HK\$278,000) arising from brokerage services relating to the PRC capital markets. This balance is unsecured, interest-free and payable on the settlement date of the relevant transactions.
- (xi) Included in the other payable balance as disclosed in note 27 as at 31 December 2025 was a payable to a wholly-owned subsidiary of the ultimate holding company of the Company of HK\$9,941,000 (2024: HK\$330,000) arising from supporting services relating to Hong Kong and overseas markets. This balance is unsecured, interest-free and payable on the settlement date of the relevant transactions.
- (xii) Included in the accounts payable balance as disclosed in note 26 as at 31 December 2025 was the amount of segregated client money held on behalf of wholly-owned subsidiaries of the ultimate holding company of the Company of HK\$76,668,000 (2024: HK\$24,788,000). This balance is unsecured, bears interest at the bank deposit rate and is payable on demand.
- (xiii) Included in the other receivable balance as disclosed in note 22 as at 31 December 2025 was a receivable due from a wholly-owned subsidiary of the ultimate holding company of the Company of HK\$60,170,000 (2024: HK\$56,822,000) arising from supporting services relating to Hong Kong and overseas markets. This balance is unsecured, interest-free and repayable on the settlement date of the relevant transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

35. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel of the Group:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 28,024 | 41,934 |
| Post-employment benefits | 1,799 | 3,254 |
| | 29,823 | 45,188 |

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transactions in respect of items (a)(i-vi) above also constitute continuing connected transactions to be disclosed in annual report as defined in Chapter 14A of the Listing Rules.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

| | Financial assets at fair value through profit or loss HK\$'000 | Financial assets at amortised cost HK\$'000 | Total HK\$'000 |
|--|---|---|-------------------|
| Financial assets | | | |
| Other assets | — | 42,489 | 42,489 |
| Financial assets at fair value through profit or loss | 5,828,381 | — | 5,828,381 |
| Accounts receivable | — | 781,244 | 781,244 |
| Loans and advances | — | 1,497,285 | 1,497,285 |
| Financial assets included in prepayments, deposits and other receivables* | — | 131,816* | 131,816* |
| Bank balances held on behalf of clients | — | 3,827,990 | 3,827,990 |
| Cash and bank balances | — | 889,738 | 889,738 |
| | 5,828,381 | 7,170,562 | 12,998,943 |

* The balance of HK\$8,793,000 which did not meet the definition of financial assets was excluded in this disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS BY CATEGORY (Cont'd)

2025 (Cont'd)

| | Financial liabilities at fair value through profit or loss HK\$'000 | Financial liabilities at amortised cost HK\$'000 | Total HK\$'000 |
|---|--|---|-------------------|
| Financial liabilities | | | |
| Accounts payable | — | 4,035,822 | 4,035,822 |
| Financial liabilities included in other payables and accruals | — | 83,209* | 83,209* |
| Interest-bearing bank borrowings | — | 1,855,453 | 1,855,453 |
| Notes issued | — | 233,852 | 233,852 |
| Financial liabilities at fair value through profit or loss | 3,299,680 | — | 3,299,680 |
| Repurchase agreement | — | 684,478 | 684,478 |
| | 3,299,680 | 6,892,814 | 10,192,494 |

* The balance of HK\$61,448,000 which did not meet the definition of financial liability was excluded in this disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS BY CATEGORY (Cont'd)

2024

| | Financial assets at fair value through other comprehensive income HK\$'000 | Financial assets at fair value through profit or loss HK\$'000 | Financial assets at amortised cost HK\$'000 | Total HK\$'000 |
|---|--|---|---|-------------------|
| Financial assets | | | | |
| Other assets | — | — | 23,187 | 23,187 |
| Other financial assets | 3,682 | — | 140,821 | 144,503 |
| Financial assets at fair value through profit or loss | — | 3,032,043 | — | 3,032,043 |
| Accounts receivable | — | — | 598,086 | 598,086 |
| Financial assets included in prepayments, deposits and other receivables | — | — | 142,644* | 142,644* |
| Bank balances held on behalf of clients | — | — | 3,184,320 | 3,184,320 |
| Cash and bank balances | — | — | 439,780 | 439,780 |
| | 3,682 | 3,032,043 | 4,528,838 | 7,564,563 |

* The balance of HK\$8,644,000 which did not meet the definition of financial assets was excluded in this disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS BY CATEGORY (Cont'd)

2024 (Cont'd)

| | Financial liabilities at fair value through profit or loss HK\$'000 | Financial liabilities at amortised cost HK\$'000 | Total HK\$'000 |
|---|--|---|-------------------|
| Financial liabilities | | | |
| Accounts payable | — | 3,438,149 | 3,438,149 |
| Financial liabilities included in other payables and accruals | — | 154,506* | 154,506* |
| Interest-bearing bank borrowings | — | 435,772 | 435,772 |
| Financial liabilities at fair value through profit or loss | 2,035,021 | — | 2,035,021 |
| | 2,035,021 | 4,028,427 | 6,063,448 |

* The balance of HK\$32,050,000 which did not meet the definition of financial liability was excluded in this disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group currently has a legally enforceable right to set off the Continuous Net Settlement (“CNS”) money obligations receivable and trade payables with Hong Kong Securities Clearing Company Limited (“HKSCC”), which are included in “accounts receivable” and “accounts payable” as presented in the consolidated statement of financial position, respectively. It intends to settle on a net basis as accounts receivable from or accounts payable to HKSCC. The net amount of CNS money obligations receivable or payable with HKSCC and guarantee fund placed in HKSCC do not meet the criteria for offsetting against each other in the financial statements and the Group does not intend to settle the balances on a net basis.

| | As at 31 December 2025 | | | | | |
|---------------------|--|---|---|---|--------------------------------------|------------------------|
| | Gross amounts of recognised financial assets HK\$'000 | Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000 | Net amounts of financial assets presented in the consolidated statement of financial position HK\$'000 | Related amounts not set off in the consolidated statement of financial position | | Net amount HK\$'000 |
| | | | | Financial instruments HK\$'000 | Cash Collateral received HK\$'000 | |
| Assets | | | | | | |
| Accounts receivable | 2,364,916 | (1,583,672) | 781,244 | (515,785) | (55,691) | 209,768 |
| Loans and advances | 1,497,285 | — | 1,497,285 | (1,497,276) | — | 9 |

| | As at 31 December 2025 | | | | | |
|--------------------|---|---|--|---|--------------------------------|------------------------|
| | Gross amounts of recognised financial liabilities HK\$'000 | Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000 | Net amounts of financial liabilities presented in the consolidated statement of financial position HK\$'000 | Related amounts not set off in the consolidated statement of financial position | | Net amount HK\$'000 |
| | | | | Financial instruments HK\$'000 | Collateral pledged HK\$'000 | |
| Liabilities | | | | | | |
| Accounts payable | 5,619,494 | (1,583,672) | 4,035,822 | (515,785) | — | 3,520,037 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

37. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Cont'd)

| As at 31 December 2024 | | | | | | |
|------------------------|---|--|--|---|-----------------------------------|---------------------|
| | Gross amounts of recognised financial assets HK\$'000 | Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000 | Net amounts of financial assets presented in the consolidated statement of financial position HK\$'000 | Related amounts not set off in the consolidated statement of financial position | | Net amount HK\$'000 |
| | | | | Financial instruments HK\$'000 | Cash Collateral received HK\$'000 | |
| Assets | | | | | | |
| Accounts receivable | 1,513,341 | (915,255) | 598,086 | (42,688) | (46,716) | 508,682 |
| Loans and advances | 1,158,277 | — | 1,158,277 | (1,158,272) | — | 5 |

| As at 31 December 2024 | | | | | | |
|------------------------|--|--|---|---|-----------------------------|---------------------|
| | Gross amounts of recognised financial liabilities HK\$'000 | Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK\$'000 | Net amounts of financial liabilities presented in the consolidated statement of financial position HK\$'000 | Related amounts not set off in the consolidated statement of financial position | | Net amount HK\$'000 |
| | | | | Financial instruments HK\$'000 | Collateral pledged HK\$'000 | |
| Liabilities | | | | | | |
| Accounts payable | 4,353,404 | (915,255) | 3,438,149 | (42,688) | — | 3,395,461 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

38. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

The following tables present the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

| | Fair value measurement using | | | Total HK\$'000 |
|---|--|--|--|-------------------|
| | Level 1 (Unadjusted quoted prices in active markets) HK\$'000 | Level 2 (Significant observable inputs) HK\$'000 | Level 3 (Significant unobservable inputs) HK\$'000 | |
| As at 31 December 2025 | | | | |
| <i>Financial assets at fair value through profit or loss:</i> | | | | |
| Debt securities | — | 3,552,551 | 103 | 3,552,654 |
| Unlisted funds | — | — | 2,125,924 | 2,125,924 |
| Derivative financial instruments | — | 149,803 | — | 149,803 |
| | — | 3,702,354 | 2,126,027 | 5,828,381 |
| <i>Financial liabilities at fair value through profit or loss:</i> | | | | |
| Structured notes issued | — | (1,021,247) | (2,128,648) | (3,149,895) |
| Derivative financial instruments | — | (149,785) | — | (149,785) |
| | — | (1,171,032) | (2,128,648) | (3,299,680) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

38. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

(a) Fair value hierarchy (Cont'd)

| | Fair value measurement using | | | Total HK\$'000 |
|---|--|--|--|-------------------|
| | Level 1 (Unadjusted quoted prices in active markets) HK\$'000 | Level 2 (Significant observable inputs) HK\$'000 | Level 3 (Significant unobservable inputs) HK\$'000 | |
| As at 31 December 2024 | | | | |
| <i>Financial assets at fair value through profit or loss:</i> | | | | |
| Debt securities | — | 2,000,072 | 1,836 | 2,001,908 |
| Unlisted equity | — | — | 16,993 | 16,993 |
| Unlisted funds | — | — | 984,890 | 984,890 |
| Derivative financial instruments | — | 28,252 | — | 28,252 |
| <i>Financial assets at fair value through other comprehensive income:</i> | | | | |
| Debt investments | — | 3,682 | — | 3,682 |
| | — | 2,032,006 | 1,003,719 | 3,035,725 |
| <i>Financial liabilities at fair value through profit or loss:</i> | | | | |
| Structured notes issued | — | (1,009,552) | (991,575) | (2,001,127) |
| Derivative financial instruments | — | (26,919) | — | (26,919) |
| Interest in consolidated investment fund attributable to other holders | — | — | (6,975) | (6,975) |
| | — | (1,036,471) | (998,550) | (2,035,021) |

Other than debt securities disclosed in note (c), during the years ended 31 December 2025 and 2024, there were no transfers of fair value measurements between Level 1, Level 2 and Level 3.

38. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Cont'd)*

(b) Valuation techniques and inputs used in Level 2 and 3 fair value measurements

The Group measures Level 2 and 3 fair values using the following methods and there is no change to the valuation technique:

Level 2 — Valuation techniques based on observable input. This category includes debt investments, derivatives financial instruments and structured notes issued valued using:

- Quoted market prices in active market for similar instruments;
- Quoted prices for similar instruments in market that are considered less than frequent; or
- Other valuation techniques where all significant inputs are directly or indirectly observable from market data

Level 3 — Valuation techniques based on significant unobservable inputs. This category includes debt securities, unlisted equity, unlisted funds and structured notes issued valued using:

- Discounted cash flow method
- Net asset value of fund provided by external counterparty
- Market approach where the unobservable input of option-adjusted spread is measured using quantile based approach

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

38. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

(b) Valuation techniques and inputs used in Level 2 and 3 fair value measurements (Cont'd)

| | Valuation Methodologies | Unobservable Inputs | Unit | Range of unobservable Inputs | | Relationship to fair value |
|--|---|--|---------|------------------------------|-----------------|---|
| | | | | 2025 | 2024 | |
| Debt securities/ Structured notes | Market approach | Pricing multiple | USD | N/A | 0.69-2.21 | The higher the note issued pricing multiple, the higher the fair value |
| Unlisted equity | Market approach | Pricing multiple of comparable companies: enterprise value to sales multiple | RMB | N/A | 0.68-2.33 | The higher the pricing multiple, the higher the fair value |
| Unlisted funds/Structured note issued | Net asset value of underlying unlisted investments which are deemed resale price of investments provided by the external counterparties | Net Asset Value per unit | USD | 100.22-7,961.46 | 121.26-6,283.21 | The higher the per unit net asset value, the higher the fair value |
| Debt securities | Market approach with discount premium (2024: Market approach) | Discount rate (2024: Pricing multiple) | USD | 0.65 | N/A | The higher the discount rate, the lower the fair value (2024: The higher the pricing multiple, the higher the fair value) |
| Interest in consolidated investment fund attributable to other holders | Net asset value of underlying unlisted investments which are deemed resale price of investments provided by the external counterparties | Net Asset Value per unit | USD'000 | N/A | 1,541.22 | The higher the net asset value per unit, the higher the fair value |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

38. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

(c) Reconciliation of level 3 items — FVPL investments

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Unlisted equity: | | |
| At 1 January | 16,993 | 453,463 |
| Net fair value changes recognised in profits or losses during the period | (16,993) | (436,470) |
| At 31 December | — | 16,993 |
| Debt securities: | | |
| At 1 January | 1,836 | 65,022 |
| Proceeds from sales/redemption | (2) | — |
| Transfer in from level 2 | 103 | — |
| Transfer out from level 3 | — | (59,150) |
| Net fair value changes recognised in profits or losses during the period | (1,834) | (4,036) |
| At 31 December | 103 | 1,836 |
| Unlisted funds: | | |
| At 1 January | 984,890 | 1,681,056 |
| Payment for purchases | 1,476,329 | 241,972 |
| Proceeds from sales/redemption | (182,841) | (872,084) |
| Net fair value changes recognised in profits or losses during the period | (152,454) | (66,054) |
| At 31 December | 2,125,924 | 984,890 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

38. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

(c) Reconciliation of level 3 items — FVPL investments (Cont'd)

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Derivative financial instruments (assets): | | |
| At 1 January | — | 3,963 |
| Proceeds from disposal | — | (355) |
| Net fair value changes recognised in profits or losses during the period | — | (3,608) |
| At 31 December | — | — |
| Structured notes issued (liabilities): | | |
| At 1 January | (991,575) | (1,700,124) |
| New issuance | (1,476,329) | (244,443) |
| Redemption | 180,116 | 866,326 |
| Net fair value changes recognised in profits or losses during the period | 159,140 | 80,668 |
| At 31 December | (2,128,648) | (991,575) |
| Derivative financial instruments (liabilities): | | |
| At 1 January | — | (3,618) |
| Net fair value changes recognised in profits or losses during the period | — | 3,618 |
| At 31 December | — | — |
| Short position in debt securities (liabilities): | | |
| At 1 January | — | (1,991) |
| Proceeds from sales/redemption | — | 1,991 |
| At 31 December | — | — |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

38. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

(c) Reconciliation of level 3 items — FVPL investments (Cont'd)

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Interest in consolidated investment fund attributable to other holders (liabilities): | | |
| At 1 January | (6,975) | (256,228) |
| Change in net assets value attributable to other holders of a consolidated investment fund | 6,975 | 249,253 |
| At 31 December | — | (6,975) |

(d) Reconciliation of level 3 items — FVOCI investments

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Debt securities: | | |
| At 1 January | 3,682 | 6,999 |
| Proceeds from sales/redemption | (620) | — |
| Net realised losses recognised in profits or losses during the period | (3,062) | (458) |
| Net unrealised losses recognised in other comprehensive income during the period | — | (2,859) |
| At 31 December | — | 3,682 |

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's normal course of business and its financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's borrowings from banks and notes issued with fixed rate during the year are for the provision of financing and loans to customers. The bank borrowings bear interest at interest rates with reference to the HIBOR whereas loans to customers bear interest at interest rates with reference to the Hong Kong dollar prime rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Interest rate risk (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in Hong Kong dollar interest rate, with all other variables held constant, of the Group's profit/(loss) after taxation (through the impact on floating rate borrowings, interest-bearing accounts receivable, financial assets at FVOCI, financial assets at amortised cost, and loans and advances) and the Group's equity.

| | Increase/ (decrease) in profit after taxation HK\$'000 | Increase/ (decrease) in equity* HK\$'000 |
|---|--|---|
| 2025 | | |
| If interest rates had been 25 basis points higher | 616 | — |
| If interest rates had been 25 basis points lower | (616) | — |
| 2024 | | |
| If interest rates had been 25 basis points higher | (2,157) | 9 |
| If interest rates had been 25 basis points lower | (2,157) | (9) |

* Excluding retained profits

Foreign currency risk

The Group's exposure to fluctuations in exchange rates arises from its dealings in overseas share markets. Such dealings are entered into on behalf of clients of the Group and accounted for a small portion of the Group's revenue. A material portion of such overseas transactions is denominated in United States dollars and RMB. The pegged exchange rate between United States dollars and Hong Kong dollars kept the Group's exchange risk exposure to USD to a minimum and thus, no hedging was required. Exchange gains and/or losses are dealt with in the consolidated statement of profit or loss. The Group has endeavored to closely monitor its foreign currency positions and take necessary measures when the situations so justify. The Group's revenue denominated in RMB constituted approximately 39% (2024: loss denominated in RMB) of the total revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Foreign currency risk (Cont'd)

The following table demonstrates the sensitivity of the Group's major financial assets and financial liabilities at the end of the reporting period denominated in RMB to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit/(loss) after taxation and the Group's equity.

| | Increase/ (decrease) in RMB rate % | (Decrease)/ increase in profit after taxation HK\$'000 | Increase in equity* HK\$'000 |
|---|---|--|------------------------------------|
| 2025 | | | |
| If the Hong Kong dollar weakens against the RMB | 8 | (1,240) | — |
| If the Hong Kong dollar strengthens against the RMB | (8) | 1,240 | — |
| 2024 | | | |
| If the Hong Kong dollar weakens against the RMB | 8 | 5,078 | — |
| If the Hong Kong dollar strengthens against the RMB | (8) | (5,078) | — |

* Excluding retained profits

Credit risk

The Group has put in place a well-established credit policy governing the granting of credit limit to customers. Customers are generally required to deposit their securities with the Group as collateral to their borrowings. The credit department is responsible for assisting the directors in formulating the credit policy of the Group, monitoring the credit risks of customers with reference to the realisable values of the collateral, managing the concentration of credit risk by customer and recommending measures to the directors for granting credit facilities which exceed the authority limit of the credit department.

The credit risk of the Group's financial assets, which comprise cash and bank balances, bank balances held on behalf of clients, investments in debt securities, other assets, deposits and other receivables, loans and advances and accounts receivable, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk (Cont'd)

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong. The Group has no significant concentration of credit risk by any single debtor as the exposure is spread over a number of individual and institutional customers.

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

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

| Internal credit rating | Description | ECL categories |
|------------------------|---|------------------------------------|
| Low risk | The counterparty has a low risk of default and does not have any past-due amounts or debtor frequently repays after due dates in full | 12m ECL |
| Medium risk | There have been significant increases in credit risk since initial recognition through information developed internally or external resources | Lifetime ECL — not credit-impaired |
| High risk | There is evidence indicating the asset is credit-impaired | Lifetime ECL — credit-impaired |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk (Cont'd)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment as at 31 December 2025 and 31 December 2024:

| | Notes | Internal credit rating | 12m or lifetime ECL | 2025 | | 2024 | |
|--|-------|------------------------|------------------------------------|-----------------------|----------|-----------------------|----------|
| | | | | Gross carrying amount | | Gross carrying amount | |
| | | | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Financial assets at amortised cost | | | | | | | |
| Other assets | 16 | Low risk | 12m ECL | 42,489 | | 23,187 | |
| Other financial assets | 19 | Low risk | 12m ECL | — | | 139,752 | |
| | | High risk | Lifetime ECL — credit-impaired | — | | 62,112 | |
| Prepayments, deposits and other receivables (note (i)) | 22 | Low risk | 12m ECL | 131,815 | | 142,644 | |
| Accounts receivable | 20 | Low risk | 12m ECL | 757,250 | | 571,873 | |
| | | Medium risk | Lifetime ECL — non-credit-impaired | 26,523 | | 28,770 | |
| | | High risk | Lifetime ECL — credit-impaired | 4,649 | | 788,422 | |
| Loans and advances | 21 | Low risk | 12m ECL | 1,226,273 | | 1,037,560 | |
| | | Medium risk | Lifetime ECL — non-credit-impaired | 131,447 | | 1,644 | |
| | | High risk | Lifetime ECL — credit-impaired | 139,569 | | 1,497,289 | |
| Bank balances held on behalf of clients | 23 | Low risk | 12m ECL | 3,828,583 | | 3,184,913 | |
| Cash and bank balances | 24 | Low risk | 12m ECL | 889,747 | | 439,790 | |

Note:

- (i) Prepayments of HK\$8,794,000 (2024: HK\$8,644,000) under prepayments, debtors and other receivables were not classified as financial assets at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk (Cont'd)

The estimated default rates for each class of financial assets are estimated based on historical observed default rates over the expected life of the respective class of financial assets and are adjusted for forward-looking information that is available without undue cost or effort, including macroeconomic data such as GDP growth, unemployment, benchmark interest rates and house prices. The identification of internal credit rating for individual financial assets is regularly reviewed by management to ensure relevant information about specific financial assets is updated.

Definition of 12m ECL, Lifetime ECL (not credit-impaired) and Lifetime ECL (credit-impaired) are as below:

| | |
|---|--|
| 12m ECL (stage 1): | Exposures where there have not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. |
| Lifetime ECL (not credit-impaired) (stage 2): | Exposures where there have been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised. |
| Lifetime ECL (credit-impaired) (stage 3): | Exposures are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit-impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (gross carrying amount net of provision) rather than the gross carrying amount from the beginning of the subsequent reporting period. |

The management determines staging of financial assets subject to ECL assessment based on qualitative and quantitative factors, if applicable, including overdue period of interest and principal, change in fair value of pledged listed securities or properties that triggered the margin calls for additional collateral or constituted events of breach of contracts respectively, and status of margin calls. Information that will be taken into account when assessing significant increase in credit risk are also set out in note 2.5.

Further quantitative data in respect of the loss allowances that has been recognised for loans and advances, other financial assets and accounts receivable are disclosed in notes 21, 19 and 20 to the financial statements, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Liquidity risk

There is a constant need of funding for the settlement of securities transactions and for the provision of financing and loans to the customers. The source of funding includes the Group's own capital, borrowings from financial institutions and bond issued, if necessary.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both of its financial instruments and financial assets (e.g., accounts receivable) and projected cash flows from operations.

The Group's borrowings from banks during the year are for the provision of financing and loans to customers for their purchases and continuous holding of securities. The maturity of bank borrowings of the Group ranges from overnight to within one year, where the borrowings are either rolled over or repaid by the Group's own funding.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

| | On demand HK\$'000 | Less than 1 year HK\$'000 | Over 1 year HK\$'000 | Total HK\$'000 | Carrying amount HK\$'000 |
|--|--------------------------|---------------------------------|----------------------------|-------------------|--------------------------------|
| 2025 | | | | | |
| Accounts payable | 2,248,924* | 1,786,898 | — | 4,035,822* | 4,035,822 |
| Financial liabilities included in other payables and accruals | 18,600 | 64,609 | — | 83,209 | 83,209 |
| Repurchase agreement | 684,478 | — | — | 684,478 | 684,478 |
| Interest-bearing bank borrowings | 1,855,453# | — | — | 1,855,453# | 1,855,453 |
| Notes issued | — | 234,116 | — | 234,116 | 233,852 |
| Financial liabilities at FVPL | 3,299,680 | — | — | 3,299,680 | 3,299,680 |
| Lease liabilities | — | 50,380 | 100,685 | 151,065 | 140,841 |
| | 8,107,135 | 2,136,094 | 100,685 | 10,343,823 | 10,333,335 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Liquidity risk (Cont'd)

| | On demand HK\$'000 | Less than 1 year HK\$'000 | Over 1 year HK\$'000 | Total HK\$'000 | Carrying amount HK\$'000 |
|--|--------------------------|---------------------------------|----------------------------|-------------------|--------------------------------|
| 2024 | | | | | |
| Accounts payable | 3,263,932* | 174,217 | — | 3,438,149* | 3,438,149 |
| Financial liabilities included in other payables and accruals | — | 154,506 | — | 154,506 | 154,506 |
| Interest-bearing bank borrowings | 437,631# | — | — | 437,631# | 435,772 |
| Financial liabilities at FVPL | 6,975 | 2,028,046 | — | 2,035,021 | 2,035,021 |
| Lease liabilities | — | 53,044 | 575 | 53,619 | 53,098 |
| | 3,708,538 | 2,409,813 | 575 | 6,118,926 | 6,116,546 |

* Balance includes bank balances held on behalf of clients (note 23) under the current asset section of the consolidated statement of financial position of HK\$3,827,990,000 (2024: HK\$3,184,320,000).

Included in interest-bearing bank borrowings were certain of the Group's bank loans in the amount of HK\$1,855,453,000 (2024: HK\$435,772,000), of which the loan agreements contain repayment on demand clauses giving the banks the unconditional right to call in the loans at any time. Therefore, for the purpose of the above maturity profile, the amounts are classified as "on demand".

Had the banks not called in the loan, the scheduled repayment dates of interest-bearing bank borrowing were less than 1 year from the end of the reporting period amounted to HK\$1,858,664,000 (2024: less than 1 year from the end of the reporting period amounted to HK\$440,914,000).

Price risk

Price risk is the risk that the fair values or future cash flows due to changes in market prices. The Group was exposed to price risk through its financial instruments at fair value through profit or loss (notes 18 and 25) and financial instruments at fair value through other comprehensive income (note 19) as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Price risk (Cont'd)

| | Increase/ (decrease) in fair value % | Increase/ (decrease) in profit after taxation HK\$'000 | Increase/ (decrease) in equity* HK\$'000 |
|--|---|--|---|
| 2025 | | | |
| Financial assets at fair value through profit or loss: | | | |
| — Debt investments | +/-1 | +/-29,665 | — |
| — Derivative financial instruments | +/-1 | +/-1,183 | — |
| Financial liabilities at fair value through profit or loss: | | | |
| — Structured notes issued | +/-1 | -/+8,550 | — |
| — Derivative financial instruments | +/-1 | -/+1,183 | — |
| 2024 | | | |
| Financial assets at fair value through profit or loss: | | | |
| — Debt investments | +/-1 | -/+16,716 | — |
| — Derivative financial instruments | +/-1 | -/+ 84 | — |
| Financial assets at fair value through other comprehensive income: | | | |
| — Debt investments | +/-1 | — | +/- 31 |
| Financial liabilities at fair value through profit or loss: | | | |
| — Structured notes issued | +/-1 | +/- 8,485 | — |
| — Derivative financial instruments | +/-1 | +/- 72 | — |

* Excluding retained profits

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024. Certain subsidiaries of the Group are regulated by the Securities and Futures Commission (the "SFC") and are required to comply with certain minimum capital requirements according to the rules of the SFC. These externally imposed capital requirements have been complied with the relevant subsidiaries of the Group for the year ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is interest-bearing bank borrowings and notes issued divided by total equity. The gearing ratio is reviewed and assessed regularly by the board of directors. The gearing ratios as at the end of the reporting periods were as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------------------------|------------------|------------------|
| Interest-bearing bank borrowings | 1,855,453 | 435,772 |
| Notes issued | 233,852 | — |
| Total equity | 2,751,134 | 2,629,347 |
| Gearing ratio | 75.94% | 16.57% |

The increase in gearing ratio was attributable to the increased interest-bearing bank borrowing and notes issued as the Group's strategy is to expand its business including wealth management and institutional service and trading.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

| | As at 31 December 2025 HK\$'000 | As at 31 December 2024 HK\$'000 |
|---|--|--|
| Non-current assets | | |
| Interests in subsidiaries | 776,963 | 776,963 |
| Other assets | 1,600 | 1,600 |
| | 778,563 | 778,563 |
| Current assets | | |
| Amounts due from subsidiaries | 13,054,932 | 8,264,519 |
| Prepayments, deposits and other receivables | 13,816 | 15,835 |
| Cash and bank balances | 23,831 | 34,388 |
| | 13,092,579 | 8,314,742 |
| Current liabilities | | |
| Amounts due to subsidiaries | 11,541,981 | 7,331,547 |
| Other payables and accruals | 39,900 | 33,530 |
| Tax payable | 2,220 | 2,220 |
| Interest-bearing bank borrowings | 955,453 | 396,952 |
| | 12,539,554 | 7,764,249 |
| Net current assets | 553,025 | 550,493 |
| NET ASSETS | 1,331,588 | 1,329,056 |
| EQUITY | | |
| Share capital | 2,782,477 | 2,782,477 |
| Other reserves | (1,450,889) | (1,453,421) |
| TOTAL EQUITY | 1,331,588 | 1,329,056 |

Approved and authorised for issue by the board of directors on 26 March 2026

Wu Meng
DIRECTOR

Liang Jun
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 December 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

A summary of the Company's reserves is as follows:

| | General reserve | Accumulated losses | Total |
|---|----------------------------|-------------------------------|--------------------|
| | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 January 2024 | 656 | (1,461,410) | (1,460,754) |
| Total comprehensive income for the year | — | 7,333 | 7,333 |
| At 31 December 2024 | 656 | (1,454,077) | (1,453,421) |
| Total comprehensive income for the year | — | 2,532 | 2,532 |
| At 31 December 2025 | 656 | (1,451,545) | (1,450,889) |



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