The following is the text of a report set out on pages I-1 to I-50, received from the Company's reporting accountants, Baker Tilly Hong Kong Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

bakertilly
天職國際

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF KEYSTONE GLOBAL FINANCIAL GROUP AND ALLIANCE CAPITAL PARTNERS LIMITED

Introduction

We report on the historical financial information of Keystone Global Financial Group (the "Company") and its subsidiary (together, the "Group") set out on pages I-3 to I-50, which comprises the consolidated statements of financial position of the Group as at 31 December 2024 and 2025, the statement of financial position of the Company as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the two years ended 31 December 2024 and 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-50 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**[REDACTED]**") in connection with the **[REDACTED]** of shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2024 and 2025, the Company's financial position as at 31 December 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about the dividends declared or paid by the Company and its subsidiary in respect of the Track Record Period.

No historical financial statements for the Company

No financial statements have been prepared for the Company since its date of incorporation.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, [DATE]
[REDACTED]
Practising certificate number **[REDACTED]**

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with accounting policies which conform with HKFRS Accounting Standards as issued by the HKICPA and were audited by Baker Tilly Hong Kong Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Hong Kong dollar ("HK$") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2024	**2025**
	Notes	*HK$'000*	*HK$'000*
Revenue	*6*		
– External asset management ("EAM") services		15,198	32,223
– Introduction and referral business		1,554	11,976
– Fund management services		–	136
		16,752	44,335
Other income, other gains and losses	*7*	1,014	652
Staff costs and commissions		(8,605)	(17,532)
Depreciation expenses		(518)	(640)
Legal and professional expenses		(690)	(191)
Other operating expenses		(663)	(1,027)
Finance costs	*8*	(24)	(50)
Profit before taxation		7,266	25,547
Income tax expense	*9*	(975)	(4,032)
Profit and total comprehensive income for the year attributable to the owners of the Company	*10*	6,291	21,515
Earnings per share attributable to ordinary equity holders of the Company	*14*	*HK$*	*HK$*
– Basic and diluted		0.56	1.91

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December	
		2024	**2025**
	Notes	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*15*	17	7
Right-of-use assets	*16*	1,498	868
Deferred tax assets	*17*	75	73
		1,590	948
CURRENT ASSETS			
Accounts and other receivables	*18*	4,350	9,775
Amounts due from related companies	*19*	7,930	30
Amounts due from shareholders	*19*	3,872	11,546
Cash and cash equivalents	*20*	6,589	20,199
		22,741	41,550
CURRENT LIABILITIES			
Other payables and accruals	*21*	2,319	2,677
Amount due to a related company	*19*	24	–
Amount due to a shareholder	*19*	830	–
Lease liabilities	*22*	581	552
Tax payable		967	3,287
Bank overdrafts	*20*	43	–
		4,764	6,516
NET CURRENT ASSETS		17,977	35,034
TOTAL ASSETS LESS CURRENT LIABILITIES		19,567	35,982
NON-CURRENT LIABILITY			
Lease liabilities	*22*	866	257
NET ASSETS		18,701	35,725
CAPITAL AND RESERVES			
Share capital	*23*	8,000	9
Reserves		10,701	35,716
TOTAL EQUITY		18,701	35,725

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**As at 31 December 2025** *HK$'000*
NON-CURRENT ASSET		
Investment in a subsidiary		–*
CURRENT ASSET		
Amounts due from shareholders	*19*	9
CURRENT LIABILITY		
Amount due to a subsidiary	*19*	68
NET CURRENT LIABILITIES AND NET LIABILITIES		(59)
CAPITAL AND RESERVES		
Share capital	*23*	9
Reserves	*27*	(68)
TOTAL DEFICIT		(59)

* *Less than HK$1,000*

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Merger reserve	Retained earnings	Total
	HK$'000	*HK$'000* *(Note a)*	*HK$ 000*	*HK$ 000*
At 1 January 2024	**8,000**	**–**	**4,910**	**12,910**
Profit and total comprehensive income for the year	–	–	6,291	6,291
Dividend declared *(Note 13)*	–	–	(500)	(500)
At 31 December 2024 and 1 January 2025	**8,000**	**–**	**10,701**	**18,701**
Profit and total comprehensive income for the year	–	–	21,515	21,515
Issue of shares *(Note 23)*	9		–	9
Group reorganisation *(Note 2)*	(8,000)	8,000	–	–
Dividend declared *(Note 13)*	–	–	(4,500)	(4,500)
At 31 December 2025	**9**	**8,000**	**27,716**	**35,725**

Note:

(a) Merger reserve of the Group represents the difference between the net assets value of the subsidiary and the nominal amount of the Company's shares which were issued as consideration for the subsidiary at the time of the group reorganisation in preparation for the **[REDACTED]** of the Company's shares.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December	
		2024	**2025**
	Notes	*HK$'000*	*HK$'000*
OPERATING ACTIVITIES			
Profit before taxation		7,266	25,547
Adjustments for:			
Bank interest income	*7*	(204)	(335)
Interest income from a related company	*7*	(8)	–
Finance costs	*8*	24	50
Depreciation of property, plant and equipment	*10*	102	10
Depreciation of right-of-use assets	*10*	416	630
Operating cash flows before movements in working capital		7,596	25,902
Increase in accounts and other receivables		(1,532)	(5,425)
Increase in other payables and accruals		505	158
Net cash generated from operations		6,569	20,635
Income tax paid		–	(1,710)
NET CASH GENERATED FROM OPERATING ACTIVITIES		6,569	18,925
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	*15*	(4)	–*
Interest received		212	335
(Advance to)/repayment from related companies		(614)	7,876
Advance to shareholders		(3,800)	(7,665)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(4,206)	546

* *Less than HK$1,000*

		Year ended 31 December	
		2024	2025
	Notes	*HK$'000*	*HK$'000*
FINANCING ACTIVITIES			
Interest paid	*30*	(24)	(50)
Capital element of lease rental paid	*30*	(491)	(638)
Advance from/(repayment to) a shareholder		3	(830)
Dividend paid		(500)	(4,300)
NET CASH USED IN FINANCING ACTIVITIES		(1,012)	(5,818)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,351	13,653
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,195	6,546
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*20*	6,546	20,199
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		6,589	20,199
Bank overdrafts		(43)	–
		6,546	20,199

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 CORPORATE INFORMATION

The Company is a limited liability company incorporated under the laws of the Cayman Islands as an exempted company on 3 April 2025. The registered office of the Company is located at 89 Nexus Way, Camana Bay, Grand Cayman, KYI-9009, Cayman Islands and its principal place of business is located at 1902-3A, 19/F, FWD Financial Centre, 308-320 Des Voeux Road Central, Sheung Wan, Hong Kong.

In the opinion of the directors, up to the date of this report, the Company was ultimately held by Mr. Chan Tak Chiu with direct shareholding of 40.75% and Ms. Lam Shui Yuet, mother of Mr. Chan Tak Chiu, with direct shareholding of 32.75%, who collectively are considered as the controlling shareholders of the Company.

The Company acts as a holding company. During the Track Record Period, the Company's subsidiary, Keystone Capital Limited ("Keystone Capital"),licensed with the Securities and Futures Commission of Hong Kong ("SFC") to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong, principally involved in the provision of: (i) external asset management ("EAM") services; (ii) introduction and referral business; and (iii) fund management services to customers ("Relevant Business").

The Company and its subsidiary now comprising the Group underwent the reorganisation as set out in the paragraph headed "Corporate Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Document. Apart from the reorganisation, the Company had not commenced any business or operation since its incorporation.

As at the date of this report, the Company has only one wholly-owned subsidiary, Keystone Capital, which is a private limited liability company incorporated on 3 December 2015 and operates in Hong Kong with issued capital of HK$8,000,000.

The statutory financial statements of Keystone Capital for the years ended 31 December 2024 and 2025 were prepared in accordance with HKFRS Accounting Standards and were audited by Inno CPA Limited, certified public accountants and Baker Tilly Hong Kong Limited, certified public accountants, respectively.

2 BASIS OF PRESENTATION AND PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

Basis of presentation

Pursuant to the reorganisation as more fully explained in the paragraph headed "Corporate Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Document, Keystone Capital became a wholly-owned subsidiary of the Company and the Company became the holding company of the Group on 11 August 2025 (the "Reorganisation"). As the Reorganisation only involved inserting a new holding company at the top of the existing group and has not resulted in any change of economic substances, the Historical Financial Information has been prepared on a continuation basis of the existing group as if the Reorganisation had been completed at the beginning of the Track Record Period.

Accordingly, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the Track Record Period are prepared as if the current group structure had been in existence throughout the Track Record Period. The consolidated statements of financial position of the Group as at 31 December 2024 and 2025 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates. No adjustments are made to reflect fair values or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on consolidation.

Basis of preparation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards are effective for the accounting period beginning on 1 January 2025 have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period.

The Historical Financial Information has been prepared on a historical cost basis.

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

3 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The Group has not 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[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-Dependent Electricity[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[2]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 Effective for annual periods beginning on or after a date to be determined.

Except for the new HKFRS Accounting Standard as described 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.

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiary. 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/period are included in the consolidated statements of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each 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.

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

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

(b) Revenue from contracts with customers

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

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct.

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

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

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

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contact inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Information about the Group's revenue recognition policies is provided in Note 6.

(c) Leases

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

The Group as a lessee

Allocation of consideration to components of a contract

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

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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

Refundable rental deposits

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

Lease liabilities

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

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

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

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

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

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

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

(d) Foreign currencies

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

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

(e) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income, other gains and losses".

(f) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(g) Employee benefits

Retirement benefits costs

Payments to defined contribution retirement scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

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

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

(h) Taxation

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

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

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

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

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

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

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

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

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

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

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

(i) Property, plant and equipment

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

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

Property, plant and equipment are depreciated on a straight-line basis over the useful lives at the following rates per annum:

Furniture, fixture and equipment	20% to 33.33%
Leasehold improvements	33.33%

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

(j) Impairment on property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

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

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

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

(k) Cash and cash equivalents

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

(i) cash, which comprises of cash on hand and demand deposits; and

(ii) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, which are repayable on demand and form an integral part of the Group's cash management.

(l) Financial instruments

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

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

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 an payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

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

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.

Amortised cost and interest income

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

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including accounts receivables, deposits and other receivables, amounts due from related companies and shareholders and bank balances), which are subject to impairment assessment under HKFRS 9 Financial Instruments. 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 economic conditions.

The Group always recognises lifetime ECL for accounts receivables.

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

(i) Significant increase in credit risk

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

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

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

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

(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;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

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

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

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

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

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

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 the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities including other payables and accruals, amounts due to a related company and a shareholder, lease liabilities and bank overdrafts are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount 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.

(m) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) as control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Gross versus net revenue recognition

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as a principal or an agent in the transaction. If the Group is acting as a principal in a transaction, the Group reports revenue on a gross basis. If the Group is acting as an agent in a transaction, the Group reports revenue on a net basis. The determination of whether the Group is acting as a principal or an agent in a transaction involves judgement and is based on an evaluation of the terms of the arrangement. The Group is considered as a principal for its contracts with customers relating to the retrocession fees arising from the provision of EAM services (the "Retrocession Fees") as the Group is primarily responsible for fulfilling the promise to provide the EAM services to the customers. When the Group satisfies the performance obligation, the Group recognises Retrocession Fees in the gross amount of consideration to which the Group expects to be entitled as specified in the EAM Agreement (as further defined in Note 6(ii)).

6 REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
By type of services		
EAM services	15,198	32,223
Introduction and referral business	1,554	11,976
Fund management services	–	136
	16,752	44,335
By type of underlying financial products		
Fixed income products and deposits	5,678	4,536
Structured products	5,287	16,291
Equities	3,350	20,850
Funds	268	438
Others	2,169	2,220
	16,752	44,335
By timing of revenue recognition		
Over time	15,198	32,359
At point in time	1,554	11,976
	16,752	44,335

(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about the Group's performance obligations and revenue recognition policies is summarised below:

EAM Services

The Group generates Retrocession Fees from reputable full-licensed banks and SFC-licensed corporations ("Partner Financial Institutions") through the provision of EAM services. Pursuant to the client agreements entering into between the Group and customers for the EAM services ("EAM Agreement"), the Group provides tailor-made EAM services to customers through assessing customers' wealth objectives, understanding their risk profiles, formulating investment strategies, constructing asset portfolio tailor-made for their requirements, screening and selecting suitable Partner Financial Institutions that offer the right platforms and financial products (including fixed income products and deposits, structured products, equities and funds) and continuously monitoring, reviewing and adjusting portfolio composition.

The EAM services are highly interrelated, integrated or customised, the Group provides a combined and inseparable output to the customer, rather than separate or distinct promises. Therefore, the EAM services provided by the Group are considered as a single performance obligation satisfied over time in accordance with HKFRS 15 as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

The Retrocession Fees are directly received from the Partner Financial Institutions and are calculated based on the commissions and fees (including custody, fund trailer fees and other handling fees) generated from the trading of financial products in the accounts maintained by the Partner Financial Institutions through the provision of EAM services by the Group. The Retrocession Fees determined based on a pre-agreed mechanism outlined in the respective agreements with the Partner Financial Institutions.

Revenue from EAM services are measured based on output method to measure progress towards complete satisfaction of a performance obligation, which is to recognise Retrocession Fees on the basis of direct measurements of the value of the EAM services transferred to the customer to date relative to the remaining EAM services promised under the EAM Agreement, that best depict the Group's performance in transferring control of the EAM services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises Retrocession Fees in the amount to which the Group has the right to invoice.

Introduction and referral business

Referral income arising from introduction and referral business is recognised at a point in time when the Group introduces and refers investors to the Partner Financial Institutions for account opening and the investors would trade by themselves directly. Referral income is calculated based on a commission rate pre-determined in the introduction and referral agreements entered into with Partner Financial Institutions, on the activities and commissions generated from the accounts referred by the Group.

Fund management services

The Group provides investment management services to the investment funds that the Group manage in return for a management fee. Management fees are recognised as the investment management services are performed over time. The Group charges such fees with reference to the invested capital, net asset value or capital commitment of the investment funds managed by the Group.

Taken the practical expedient in HKFRS 15, information about the remaining performance obligations is not disclosed as the Group elects to apply the practical expedient by recognising revenue for provision of EAM services in the amount to which the Group has right to invoice.

(iii) Segment information

Management monitors the operating results of the Group's business which include services in relation to the provision of (i) EAM services; (ii) introduction and referral business; and (iii) fund management services for the purpose of making decisions about resource allocation and performance assessment. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

(iv) Geographical information

During the Track Record Period, the Group operated within one geographical location because all of its revenue was generated in Hong Kong and all non-current assets were located in Hong Kong. Accordingly, no geographical information is presented.

(v) Information about major customers

Revenue from customers during the Track Record Period contributing over 10% of total revenue of the Group during the year are as follows:

	Year ended 31 December	
	2024	2025
	HK$'000	*HK$'000*
Customer A	N/A*	9,577
Customer B	–	5,970
Customer C	3,984	–

* *The corresponding revenue did not contribute over 10% or more of the Group's revenue during the corresponding years.*

7 OTHER INCOME, OTHER GAINS AND LOSSES

	Year ended 31 December	
	2024	2025
	HK$'000	*HK$'000*
Rental income	300	300
Bank interest income	204	335
Interest income from a related company	8	–
Government grants *(note)*	467	–
Exchange (losses)/gains, net	(29)	17
Others	64	–
	1,014	652

Note: During the year ended 31 December 2024, the government grants represent a subsidy of HK$467,000 received by the Group from the Government of the Hong Kong Special Administration Region (the "HKSAR Government") for compensating the Group's expenses incurred in setting up an open-ended fund company ("OFC") in Hong Kong. The HKSAR Government reserves the right to claw back the subsidy if the OFC is wound up or deregistered within two years from date of its incorporation. Subsequent to the end of the Track Record Period, this two-year period has ended.

8 FINANCE COSTS

	Year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Interest on lease liabilities	24	50

9 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Current tax		
– Provision for Hong Kong Profits Tax for the year	967	4,011
– Under-provision in respect of prior years	–	19
Deferred tax *(Note 17)*	8	2
Income tax expense	975	4,032

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying entity is taxed at 8.25%, and the profits above HK$2 million is taxed at 16.5%.

The income tax expenses for the Track Record Period can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Profit before taxation	7,266	25,547
Tax at applicable tax rate of 16.5%	1,199	4,215
Effect of income not taxable for tax purpose	(59)	(55)
Effect of expenses not deductible for tax purposes	–	18
Income tax at concessionary rates	(165)	(165)
Under-provision in respect of prior year	–	19
	975	4,032

10 PROFIT FOR THE YEAR

	Year ended 31 December	
	2024	2025
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	28	30
Staff costs and commission (including directors' emoluments *(Note 11)*)		
– Salaries, allowances and other benefits	3,965	7,344
– Contributions to retirement benefits schemes	68	78
– Commission	4,572	10,110
	8,605	17,532
Depreciation of property, plant and equipment	102	10
Depreciation of right-of-use assets	416	630

11 DIRECTORS' EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company (including emoluments for services rendered to the Relevant Business prior to becoming the directors of the Company) during the Track Record Period are as follows:

	Salaries, allowance and other benefits	Discretionary bonus	Retirement benefits schemes contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 December 2024				
Executive directors				
Mr. Chan Tak Chiu	180	1,066	18	1,264
Mr. Siu Wing Kin	180	639	18	837
	360	1,705	36	2,101
For the year ended 31 December 2025				
Executive directors				
Mr. Chan Tak Chiu	180	1,059	14	1,253
Mr. Siu Wing Kin	180	1,744	14	1,938
	360	2,803	28	3,191

The emoluments stated above were for their services in connection with the management of the affairs of the Group.

(a) Executive directors

Mr. Chan Tak Chiu and Mr. Siu Wing Kin were appointed as directors of the Company on 13 May 2025 and re-designated as executive directors of the Company on [Date].

(b) Independent non-executive directors

On [DATE], Mr. Wong Kai Hing, Dr. Ho Ho Ming and Ms. Ng Suet Hung were appointed as independent non-executive directors of the Company.

There were no fees and other emoluments payable to the independent non-executive directors during the Track Record Period.

During the Track Record Period, no emoluments were paid by the Group to directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office.

12 FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

The emoluments of the Group's five highest paid individuals included one director of the Company for each of the years ended 31 December 2024 and 2025, details of whose emoluments are set out in Note 11. The emoluments of the remaining four non-director employees for each of the years ended 31 December 2024 and 2025, respectively, are as follows:

	Year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Salaries, allowances and other benefits	1,332	2,136
Retirement benefits schemes contribution	14	15
Commission	3,909	8,503
	5,255	10,654

	Year ended 31 December	
	2024	**2025**
	Number of individuals	*Number of individuals*
Nil to HK$1,000,000	1	–
HK$1,000,001 to HK$1,500,000	2	–
HK$1,500,001 to HK$2,000,000	1	1
HK$2,000,001 to HK$2,500,000	–	1
HK$2,500,001 to HK$3,000,000	–	1
HK$3,500,001 to HK$4,000,000	–	1

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13 DIVIDENDS

On 24 June 2024 and 4 August 2025, Keystone Capital, a wholly-owned subsidiary of the Company, declared a cash dividend of HK$500,000 and HK$2,500,000 to its then shareholders, respectively.

On 4 November 2025 and 15 April 2026, the Company declared a cash dividend of HK$2,000,000 and HK$10,000,000 to its then shareholders, respectively.

Save as disclosed above, for the years ended 31 December 2024 and 2025 and as of the date of this report, neither the Company nor Keystone Capital have declared or made any dividend or contribution to their respective shareholders.

14 EARNINGS PER SHARE

The calculation of the basic earnings per share during the Track Record Period is based on the profit for the year attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue and the assumption that the Reorganisation had been in effect on 1 January 2024. The weighted average number of ordinary shares in issue has not taken into account the capitalisation issue which will be completed upon **[REDACTED]**.

The calculation of the basic earnings per share attributable to ordinary equity holders of the Company is based on the following data:

	Year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Profit for the year attributable to the owners of the Company	6,291	21,515

	Year ended 31 December	
	2024	**2025**
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue	11,250	11,250

During the years ended 31 December 2024 and 2025, there were no dilutive potential ordinary shares in issue. The dilutive earnings per share is the same as basic earnings per share for the Track Record Period.

15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement *HK$'000*	Furniture, fixture and equipment *HK$'000*	Total *HK$'000*
Cost			
At 1 January 2024	544	259	803
Additions	–	4	4
At 31 December 2024 and 1 January 2025	544	263	807
Additions	–	–*	–*
At 31 December 2025	544	263	807
Accumulated depreciation			
At 1 January 2024	465	223	688
Provided for the year	79	23	102
At 31 December 2024 and 1 January 2025	544	246	790
Provided for the year	–	10	10
At 31 December 2025	544	256	800
Carrying amount			
At 31 December 2024	–	17	17
At 31 December 2025	–	7	7

* *Less than HK$1,000*

16 RIGHT-OF-USE ASSETS

	Office premises *HK$'000*
Cost	
At 1 January 2024	1,862
Lease modification	1,680
At 31 December 2024, 1 January 2025 and 31 December 2025	3,542
Accumulated depreciation	
At 1 January 2024	1,628
Provided for the year	416
At 31 December 2024 and 1 January 2025	2,044
Provided for the year	630
At 31 December 2025	2,674
Carrying amount	
At 31 December 2024	1,498
At 31 December 2025	868

	Year ended 31 December	
	2024 *HK$'000*	**2025** *HK$'000*
Depreciation for right-of-use assets	416	630
Interest on lease liabilities	24	50
Total cash outflow for leases	515	688

During the Track Record Period, the Group leased an office premises for its operation. Lease contracts are entered into for fixed terms between 32 and 36 months.

During the year ended 31 December 2024, the Group recognised right-of-use assets and lease liabilities of HK$1,680,000 and HK$1,680,000, respectively, in relation to lease modification. During the year ended 31 December 2025, the Group did not have any lease modification.

17 DEFERRED TAX ASSETS

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

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Deferred tax assets	75	73

The following are the major deferred tax assets recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation	**Tax losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2024	61	22	83
Credited/(charged) to profit or loss for the year	14	(22)	(8)
At 31 December 2024 and 1 January 2025	75	–	75
Charged to profit or loss for the year	(2)	–	(2)
At 31 December 2025	73	–	73

Deferred tax assets are recognised for tax losses and deductible temporary differences to the extent that utilisation of the related tax loses and deductible temporary differences through the future taxable profits streams.

18 ACCOUNTS AND OTHER RECEIVABLES

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Accounts receivables, net	4,061	9,479
Other receivables	2	2
Deposits and prepayments	287	294
Deposits, prepayments and other receivables, net	289	296
Total accounts and other receivables, net	4,350	9,775

Included in accounts receivables was management fee income of HK$136,000 (2024: nil) attributable to the Group as being the investment manager for the OFC, outstanding as at 31 December 2025.

No ECL allowance are recognised for accounts receivables, deposits and other receivables as at 31 December 2024 and 2025. Details of impairment assessment of accounts and other receivables are set out in Note 29.

The following is an aged analysis of accounts receivables net of ECL allowance presented based on the revenue recognition date.

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
0-30 days	2,263	3,893
31-60 days	615	1,505
61-90 days	1,183	4,081
	4,061	9,479

As at 31 December 2024 and 2025, no accounts receivables are past due.

19 AMOUNTS DUE FROM/(TO) RELATED COMPANIES, SHAREHOLDERS AND A SUBSIDIARY

The Group

As at 31 December 2024

Amounts due from/(to) related companies

Name of related company	Nature of balance	Balance outstanding	Maximum balance outstanding
		HK$'000	*HK$'000*
Keystone Capital (Singapore) Pte. Limited *(note (a))*	Non-trade nature	343	343
Keystone Holdings Worldwide Limited *(note (b))*	Non-trade nature	7,587	7,587
		7,930	
Keystone Finance Limited *(Note 26(a))*	Trade nature	(24)	700
		7,906	

Amounts due from/(to) shareholders

Name of shareholder	Nature of balance	Balance outstanding *HK$'000*	Maximum balance outstanding *HK$'000*
Ms. Lau Ying King	Non-trade nature	3,400	3,400
Mr. Siu Wing Leung	Non-trade nature	400	400
Ms. Lau Chun Heung	Non-trade nature	72	1,164
		3,872	
Mr. Chan Tak Chiu	Non-trade nature	(830)	N/A
		3,042	

As at 31 December 2025

Amount due from a related company

Name of related company	Nature of balance	Balance outstanding *HK$'000*	Maximum balance outstanding *HK$'000*
Keystone Multi Strategy OFC *(note (c))*	Non-trade nature	30	30

Amounts due from shareholders

Name of shareholder	Nature of balance	Balance outstanding *HK$'000*	Maximum balance outstanding *HK$'000*
Mr. Chan Tak Chiu	Non-trade nature	9,740	9,864
Ms. Kwong Kit Ying Kitty	Non-trade nature	1,800	1,800
Ms. Lam Shui Yuet	Non-trade nature	3	3
Mr. Siu Wing Leung	Non-trade nature	2	400
Ms. Ip Nga Sze	Non-trade nature	1	1
		11,546	

As at 31 December 2024 and 2025, the amounts due from/(to) related companies and shareholders were unsecured, non-interest bearing and recoverable/repayable on demand. The amount due from a related company of HK$30,000 was fully received in May 2026. The amounts due from shareholders of HK$11,537,000 and HK$9,000 were fully received in February and May 2026 respectively.

Notes:

(a) Controlled by a shareholder of the Company

(b) Jointly controlled by shareholders of the Company

(c) The Group is its investment manager. During the year ended 31 December 2025, the related management fee income earned by the Group as being the investment manager for the OFC is HK$136,000 (2024 : nil).

The Company

As at 31 December 2025

Amounts due from shareholders

Name of shareholder	Nature of balance	Balance outstanding	Maximum balance outstanding
		HK$'000	*HK$'000*
Mr. Chan Tak Chiu	Non-trade nature	3	3
Ms. Lam Shui Yuet	Non-trade nature	3	3
Mr. Siu Wing Leung	Non-trade nature	2	2
Ms. Ip Nga Sze	Non-trade nature	1	1
		9	

Amount due to a subsidiary

Name of subsidiary	Nature of balance	Balance outstanding
		HK$'000
Keystone Capital	Non-trade nature	68

As at 31 December 2025, the amounts due from/(to) shareholders and a subsidiary were unsecured, non-interest bearing and recoverable/repayable on demand.

20 CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Bank balances	6,571	20,179
Cash on hand	18	20
Cash and cash equivalents in the consolidated statements of financial position	6,589	20,199
Less: Bank overdrafts	(43)	–
Cash and cash equivalents in the consolidated statements of cash flows	6,546	20,199

The carrying amounts of the Group's cash and cash equivalents and bank overdraft approximated their fair value and were denominated in the following currencies:

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
HK$	2,182	4,809
United States Dollars ("USD")	4,363	15,377
Others (Renminbi and Singapore dollars ("SGD"))	1	13
	6,546	20,199

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Bank overdrafts carry interest at variable market interest rate based on Hong Kong Loan Prime Rate plus 9% per annum.

Details of impairment assessment of bank balances as at 31 December 2024 and 2025 are set out in Note 29.

21 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Commission payables to employees	1,644	1,370
Other payables and accruals	675	1,107
Dividend payables	–	200
	2,319	2,677

22 LEASE LIABILITIES

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Lease liabilities payable:		
Within one year	581	552
Within a period of more than one year but not exceeding two years	609	257
Within a period of more than two years but not exceeding five years	257	–
	1,447	809
Less: Amount due for settlement within 12 months shown under current liabilities	(581)	(552)
Amount due for settlement after 12 months shown under non-current liabilities	866	257

The weighted average incremental borrowing rates applied to lease liabilities were 4.35% and 4.35% as at 31 December 2024 and 2025, respectively.

23 SHARE CAPITAL

Group

As disclosed in Note 2, the Historical Financial Information has been prepared on a continuation basis of the existing group as if the Reorganisation had been completed at the beginning of the Track Record Period. The Reorganisation was completed on 11 August 2025 on which date the Company became the holding company of the Group. For the purpose of this report, share capital of the Group as at 31 December 2024 and 2025 represented the share capital of Keystone Capital and the Company, respectively.

Company

	As at 31 December 2025
	HK$'000
Issued and fully paid:	
Ordinary shares with a nominal value of USD0.0001 each	9

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

	Number of ordinary shares *'000*	Share capital *HK$*
Ordinary shares of USD0.0001 each		
At 3 April 2025 (date of incorporation)	–	–
Issue of ordinary shares on 13 May 2025	36	–*
Issue of ordinary shares on 16 September 2025	11,214	9
At 31 December 2025	11,250	9

* *Less than HK$1,000*

The Company was incorporated under the law of Cayman Islands on 3 April 2025. On 13 May 2025, the Company issued a total of 36,000 shares with a nominal value of USD0.0001 each to the shareholders and further issued a total of 11,214,000 shares with a nominal value of USD0.0001 each to the shareholders on 16 September 2025.

24 RETIREMENT BENEFITS SCHEMES

The Group participates in defined contribution retirement schemes organised by the relevant local government authorities in jurisdictions where the Group operates. Employees of the Group eligible for participating in the retirement schemes are entitled to retirement benefits from the schemes. The Group is required to make contributions to the retirement schemes up to the time of retirement of the eligible employees, excluding those employees who resign before their retirement, at a percentage that is specified by the local government authorities. The contributions paid and payable to the schemes by the Group recognised in profit or loss during the Track Record Period are disclosed in Note 10.

25 CONTINGENT LIABILITIES

The Group and the Company had no contingent liabilities as at 31 December 2024 and 2025.

26 RELATED PARTY TRANSACTIONS

(a) Other than as disclosed elsewhere in the Historical Financial Information, the Group has following transactions and balances with related company:

Name of the related parties	Relationships	Nature of transactions	Year ended 31 December 2024 *HK$'000*	2025 *HK$'000*
Keystone Finance Limited	Ultimately controlled by the shareholders of the Company	Interest income	8	–
		Rental income	300	300
Mr. Chan Tak Chiu	Shareholder	Retrocession Fees	189	299
Ms. Lau Ying King	Shareholder	Retrocession Fees	37	12
Ms. Kwong Kit Ying Kitty	Shareholder	Commission	(1,324)	(3,933)
Ms. Lew Cheuk Ning	Shareholder	Staff costs	(1,347)	(2,151)

(b) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the Track Record Period were as follows:

	Year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Short-term benefits	2,101	3,191

27 RESERVES OF THE COMPANY

	Accumulated losses
	HK$'000
At 3 April 2025 (date of incorporation)	–
Profit and total comprehensive income for the year	1,932
Dividend declared	(2,000)
At 31 December 2025	(68)

28 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debts, which includes amounts due to a related company and a shareholder (Note 19), lease liabilities (Note 22) and bank overdrafts (Note 20), net of cash and cash equivalents (Note 20) and equity attributable to owners of the Group, comprising capital and reserves.

Management of the Group reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and raise of new borrowings.

Keystone Capital is licensed to carry out regulated activities in Hong Kong and is regulated by the SFC. It is required to maintain at all times the liquid capital which is not less than the minimum requirement as set out under the Hong Kong Securities and Futures (Financial Resources) Rules (the "FRR"). Management monitors, on a monthly basis, the liquid capital of Keystone Capital to ensure it meets the minimum liquid capital requirement in accordance with the FRR.

29 FINANCIAL INSTRUMENTS

Financial instruments by category

The Group

The carrying amounts presented in the consolidated statements of financial position relate to the following categories of financial assets and financial liabilities:

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Financial assets		
Financial assets measured at amortised cost:		
– Accounts receivables *(Note 18)*	4,061	9,479
– Deposits and other receivables	213	213
– Amounts due from related companies *(Note 19)*	7,930	30
– Amounts due from shareholders *(Note 19)*	3,872	11,546
– Bank balances and cash *(Note 20)*	6,589	20,199
Total	22,665	41,467
Financial liabilities		
Financial liabilities measured at amortised costs:		
– Other payables and accruals *(Note 21)*	2,319	2,677
– Amount due to a related company *(Note 19)*	24	–
– Amount due to a shareholder *(Note 19)*	830	–
– Lease liabilities *(Note 22)*	1,447	809
– Bank overdrafts	43	–
Total	4,663	3,486

The Company

	As at 31 December 2025
	HK$'000
Financial assets	
Financial assets measured at amortised cost:	
– Amounts due from shareholders *(Note 19)*	9
Financial liability	
Financial liability measured at amortised cost:	
– Amount due to a subsidiary *(Note 19)*	68

Financial risk management objectives and policies

The Group's major financial instruments include accounts receivables, deposits and other receivables, amounts due from/(to) related companies and shareholders, bank balances and cash, other payables and accruals, lease liabilities and bank overdrafts. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments, which include market risk (foreign exchange risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to different risks arising from the use of financial instruments. Generally, the Group employs conservative strategies regarding its risk management. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Currency risk

The Group

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instruments will fluctuate because of change in foreign exchange rates.

The Group is exposed to currency risk primarily through transactions that are denominated in currencies other than the functional currency of the operations to which they related. Cash and cash equivalents, accounts receivables and amounts due from related companies and shareholders are denominated in foreign currencies expose the Group to currency risk during the Track Record Period.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	Assets	
	As at 31 December	
	2024	2025
	HK$'000	*HK$'000*
USD	5,413	19,277
SGD	344	677

Sensitivity analysis

The Group is primarily exposed to the exchange rate risk on HK$ against USD and SGD, for the foreign currency denominated monetary assets. The directors of the Company consider that, as HK$ is pegged to USD and the majority of HK$ will convert to USD only, the Group is not subject to significant foreign currency risk from change in foreign exchange rate of HK$ against USD and vice versa.

The following table details the Group's sensitivity to a 5% increase in HK$, against the relevant foreign currency, SGD. 5% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in the Group's profit after taxation for the year where the HK$ strengthens against SGD. For a 5% weakening of HK$ against SGD, there would be an equal and opposite impact on the Group's profit after taxation for the year.

	Year ended 31 December	
	2024	2025
	HK$'000	*HK$'000*
Foreign currency		
SGD	28	14

The Company

The Company's assets and liabilities are mainly denominated in HK$, its functional currency, and this does not expose the Company to foreign currency risk at the end of each reporting period. Therefore, no further analysis is presented.

(b) Credit risk and impairment assessment

Group and Company

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

Credit risk mainly arises from accounts receivables, deposits and other receivables, amounts due from related companies and shareholders and bank balances.

Accounts receivables

Accounts receivables are continuously monitored by assessing the credit quality of the customers, taking into account historical settlement records and past experience along with other relevant factors. Credit limits of customers are reviewed periodically. In order to minimise the credit risk, the management of the Group has to comply with the credit and risk management policies approved by the directors of the Company, established credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts.

The Group adopted the simplified approach for ECL, allowing the use of lifetime ECL for accounts receivables. Management assesses ECL on significant and/or credit-impaired accounts receivables individually, estimating based on historical credit loss experience, general economic conditions in the industry, and both current and forecasted conditions at the reporting date.

Remaining accounts receivables are grouped and assessed on a collective basis as these accounts receivables consist of many small customers with common risk characteristics that reflect their abilities to settle balances in accordance with contractual terms. ECL for these accounts receivables is estimated based on their historical default rates and ageing, and is adjusted for forward-looking information. Expected loss rates are based on the probability of credit losses as receivables progress through delinquency stages to write-off. These rates are adjusted to reflect current and forward-looking macroeconomic factors influencing debtors' ability to settle.

The following table shows the Group's expected loss rates adopted to the ageing analysis of accounts receivables, based on due dates, as at 31 December 2024 and 2025:

	Expected loss rate	Gross carrying amount	Allowance for ECL	Net carrying amount
		HK$'000	*HK$'000*	*HK$'000*
At 31 December 2024				
Overdue by:				
Current (not past due)	0%	4,061	–	4,061
At 31 December 2025				
Overdue by:				
Current (not past due)	0%	9,479	–	9,479

Relevant information regarding the exposure of credit risk and allowance for ECL on accounts receivables as at 31 December 2024 and 2025 are set out in Note 18.

As at 31 December 2024 and 2025, the largest and the five largest accounts receivables accounted for 59.05% and 97.91%, and 29.20% and 96.53% of the Group's accounts receivables balance, respectively. The directors of the Company considered the credit risk from this concentration was not significant as these counterparties were sizeable and well-established companies in the respective industry with sound financial position.

Other receivables and deposits/amounts due from related companies and shareholders

The management of the Group regularly reviews and assesses the credit quality of the counterparties. The Group uses 12-month ECL to measure the loss allowance of other receivables, deposits and amounts due from related companies and shareholders since these receivables are not past due and there has not been a significant increase in credit risk since initial recognition.

Bank balances

The Group places them in banks and financial institutions with high credit ratings assigned by international credit-rating agencies. Management of the Company considers the bank balances are short-term in nature and the probability of default is negligible on the basis of high credit-rating banks and financial institutions, and accordingly, loss allowance was considered as insignificant.

For individual assessment of ECL of the Group's financial assets, the Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Accounts receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full.	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

The table below details the credit risk exposures of the Group's financial assets as at 31 December 2024 and 2025, which are subject to ECL assessment:

The Group

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount As at 31 December 2024 HK$'000	Gross carrying amount As at 31 December 2025 HK$'000
Financial assets at amortised cost					
Accounts receivables	N/A	N/A	Lifetime ECL (not credit-impaired and assessed using provision matrix)	4,061	9,479
Deposits and other receivables	N/A	Low risk	12m ECL (not credit-impaired and assessed individually)	213	213
Amounts due from related companies and shareholders	N/A	Low risk	12m ECL (not credit-impaired and assessed individually)	11,802	11,576
Bank balances	Baa2 or above	N/A	12m ECL (not credit-impaired and assessed individually)	6,571	20,179

The Company

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount As at 31 December 2025 HK$'000
Financial assets at amortised cost				
Amounts due from shareholders	N/A	Low risk	12m ECL (not credit-impaired and assessed individually)	9

(c) Liquidity risk

Liquidity risk related to the risk that the Group will not able to meet its obligation associated with its financial liabilities. In the management of the liquidity risk, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows in the short and long term.

The following tables show the Group's and the Company's remaining contractual maturities for its financial liabilities at the end of reporting period based on undiscounted cash flows (include interest payments computed using contractual rates or, if floating, based on rates current at the end of reporting period) and the earliest date the Group and the Company can be required to pay.

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

The Group

	On demand or within 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Total carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2024					
Other payables and accruals	2,319	–	–	2,319	2,319
Amount due to a related company	24	–	–	24	24
Amount due to a shareholder	830	–	–	830	830
Bank overdrafts	43	–	–	43	43
Lease liabilities	631	631	259	1,521	1,447
	3,847	631	259	4,737	4,663
At 31 December 2025					
Other payables and accruals	2,677	–	–	2,677	2,677
Lease liabilities	574	259	–	833	809
	3,251	259	–	3,510	3,486

The Company

	On demand or within 1 year	1-2 years	2-5 years	Total undiscounted cash flows	Total carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2025					
Amount due to a subsidiary	68	–	–	68	68

(d) Fair value measurement

(i) Financial instruments measured at amortised cost

The directors of the Company consider that the carrying amounts of the Group's and the Company's financial assets and liabilities approximate their fair values as at 31 December 2024 and 2025.

30 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Amount due to a shareholder	Lease liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2024	827	258	1,085
Lease modification	–	1,680	1,680
Financing cash flows	3	(515)	(512)
Interest expense recognised	–	24	24
At 31 December 2024 and 1 January 2025	830	1,447	2,277
Financing cash flows	(830)	(688)	(1,518)
Interest expense recognised	–	50	50
At 31 December 2025	–	809	809

31 NON-CASH TRANSACTIONS

The below are the non-cash transactions during the Track Record Period.

During the year ended 31 December 2024, the amount due from a shareholder, Ms. Lau Chun Heung, of HK$1,092,000 was settled through the current account with a related company. This transaction did not involve any cash settlement.

32 COMMITMENTS

As at 31 December 2024 and 2025, the Group did not have any material capital commitment and the Group, as a lessee, had no lease contracts that have not yet commenced.

33 EVENTS AFTER THE REPORTING PERIOD

There were no material events that required additional disclosures or adjustments occurred after 31 December 2025.

34 SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to 31 December 2025.