



基石金融控股有限公司

CORNERSTONE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8112

2025

Annual Report
年度報告

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This report, for which the directors (the “Directors”) of Cornerstone Financial Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

Corporate Information	2
Financial Summary	3
Management Discussion and Analysis	4
Directors' Profile	15
Corporate Governance Report	19
Environmental, Social and Governance Report	39
Report of the Directors	58
Independent Auditor's Report	69
Consolidated Statement of Profit or Loss and Other Comprehensive Income	74
Consolidated Statement of Financial Position	75
Consolidated Statement of Changes in Equity	77
Consolidated Statement of Cash Flows	78
Notes to the Consolidated Financial Statements	80

This annual report will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of posting and on the website of the Company at www.cs8112.com. The Company has set out in details on its website under the "Investor Relations" section the manner for the dissemination of its corporate communications, and the relevant arrangements for shareholders to request for corporate communications in printed form. Shareholders may send a written request to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at the address or email as shown therein for a printed copy of this annual report.

Shareholders are encouraged to access the corporate communications of the Company through the websites of the Stock Exchange and the Company in lieu of receiving printed copies to help protect the environment.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Fan Yandi (*Chairlady*) (*appointed on 25 March 2025*)

An Xilei (*Chairman up to 25 March 2025*)

Wong Hong Gay Patrick Jonathan (*CEO*)

Mock Wai Yin

Liu Shihao

An Xishuai

Sun Lihua (*resigned on 25 March 2025*)

Independent Non-Executive Directors

Chan Chi Keung Alan

Lau Mei Ying

Wong Man Hong

AUDIT COMMITTEE

Wong Man Hong (*Chairman*)

Chan Chi Keung Alan

Lau Mei Ying

NOMINATION COMMITTEE

Wong Man Hong (*Chairman*)

Chan Chi Keung Alan

Lau Mei Ying

REMUNERATION COMMITTEE

Wong Man Hong (*Chairman*)

Chan Chi Keung Alan

Lau Mei Ying

CORPORATE GOVERNANCE COMMITTEE

An Xilei (*Chairman*)

Mock Wai Yin

Lau Mei Ying

EXECUTIVE COMMITTEE

An Xilei (*Chairman*)

Liu Shihao

An Xishuai (*appointed on 25 March 2025*)

INVESTMENT COMMITTEE (NOTE)

An Xilei (*Chairman*)

Liu Shihao

An Xishuai (*appointed on 25 March 2025*)

Note: Comprising the above Executive Directors and the Financial Controller of the Company.

COMPANY SECRETARY

Chan Sau Chee

AUTHORIZED REPRESENTATIVES

An Xilei

Mock Wai Yin

AUDITORS

ZSZH (HK) Fuson CPA Limited (Note)

Certified Public Accountants

Registered Public Interest Entity Auditor

Note: Name change from SFAI (HK) CPA Limited on 9 January 2026

REGISTERED OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 802, 8th Floor

Lee Garden Five

18 Hysan Avenue

Causeway Bay

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

COMPANY'S WEBSITE

www.cs8112.com

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

8112

FINANCIAL SUMMARY

	for the year ended 31 December				
	2025	2024	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$
RESULTS					
Revenue	48,092,408	53,982,860	57,960,680	55,568,368	56,133,391
Loss for the year	(17,907,261)	(21,865,887)	(49,612,842)	(32,598,174)	(14,301,244)
Attributable to:					
Owners of the Company	(18,659,755)	(20,940,799)	(48,637,971)	(31,985,715)	(15,541,192)
Non-controlling interests	752,494	(925,088)	(974,871)	(612,459)	1,239,948
	as at 31 December				
	2025	2024	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$
ASSETS AND LIABILITIES					
Total assets	174,090,452	177,589,424	207,770,012	281,057,270	240,426,903
Total liabilities	(61,313,151)	(49,308,731)	(57,511,384)	(81,316,740)	(69,778,071)
Net assets	112,777,301	128,280,693	150,258,628	199,740,530	170,648,832

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FUTURE PROSPECTS

During the year ended 31 December 2025 (the “Financial Year”), Cornerstone Financial Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) were principally engaged in the businesses of financial services and advertising and media services. The advertising and media business remained the main contributor to the Group’s revenue while provision of financial services continued to generate regular revenue for the Group. During the Financial Year, the Group recorded an overall revenue of approximately HK\$48.1 million and net loss of approximately HK\$17.9 million, as compared with that of approximately HK\$54.0 million and HK\$21.9 million respectively of the previous year. Revenue from the advertising and media business amounted to approximately HK\$40.7 million for the Financial Year (2024: HK\$46.1 million), a decrease of approximately 12% over last year. The financial services business recorded revenue amounted to approximately HK\$7.4 million (2024: HK\$7.9 million), a decrease of approximately 6% year-on-year.

It is observed that the global economy demonstrated tenuous resilience in 2025, with downside risks like geopolitical tensions, protectionism and policy uncertainty persisted. Hong Kong’s economy showed progressive strengthening margin clients through the year. It was a recovery and growth year for Hong Kong’s financial hub status. However, the Group’s financial services business has yet to benefit from the market recovery, with its turnover for the Financial Year recorded a slight decrease compared with last year, aligning with a reduction in the number of its margin clients and repayment made by its margin clients. The advertising industry has been experiencing structural changes aligned with a significant shift in marketing landscape from the traditional media spending to online and social media platforms. To adjust its operating strategy in response to such external pressures, the Company has disposed of its business operations in Singapore while continuing to provide advertising and media services in Hong Kong, in order to streamline its operations and allocate management and financial resources to markets where the Group has a stronger local expertise. Upon completion of the disposal in September 2025, financial results of the subsidiaries subject to the disposal have ceased to be consolidated into the Company’s consolidated financial statements, which aligns with the decrease in revenue from this business segment for the Financial Year. The Group has realized a gain of approximately HK\$4.5 million therefrom. Details of the above disposal were disclosed in the Company’s announcement dated 17 September 2025.

Going forward, the Group will strive to explore potential business opportunities, while maintaining its current operations in its various businesses by adapting business models suitable for its circumstances. The Group will look for new investment opportunities in different sectors with growth potential for business diversification and corporate sustainability. The management will continue to review and monitor the latest development of the external environment and the business portfolio of the Group, and adjust its business strategies from time to time if required. Further details of the Group’s business review and prospects are as follows:

Financial Services Business

The Group’s financial services activities are mainly conducted under the brand name of “Cornerstone” and consisted of Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Over the past years, the financial services business undertaken by Cornerstone Securities Limited (“CSL”), a 91.19% indirectly owned subsidiary of the Company, has been providing regular revenue for the Group. The Group’s financial services business recorded a revenue of approximately HK\$7.4 million for the Financial Year (2024: approximately HK\$7.9 million).



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Business Model

Margin financing business forms an integral part of the securities brokerage business under the financial services segment. Contribution from margin financing business is significant for a securities company. CSL believed that it is important to explore opportunities to expand, among others, its margin financing business. Accordingly, the financial services segment with focus on the margin financing business has always been part of the Company's business development plan. Generally, the Group provides credit facilities to clients who wish to borrow funds to purchase securities or make applications for initial public offering on a margin basis. Margin clients are required to pledge deposits and/or liquid securities as collaterals to the Group in order to obtain margin facilities for securities trading. Margin financing business was the key income stream with its interest income contributed to approximately 93% of CSL's revenue for the Financial Year (2024: approximately 97%). Margin financing was funded by internal resources of the Group during the Financial Year.

The Group strived to adopt a business model to acquire more market exposures and opportunities and provide competitive advantage to its clients, yet in a prudent approach by adhering to risk management policies in respect of credit approval, credit risk assessment and other monitoring and regulatory compliance such as anti-money laundering and counter-terrorist financing review.

Credit Policy

The Group has adopted a credit policy to manage its margin loan financing business which includes compliance with the applicable laws and regulations such as capital requirements and the Financial Resources Rules; credit assessment on margin loan clients in accordance with the "know your client" procedures including but not limited to verification and checking of background information disclosed by clients and conducting public search from independent sources; obtaining collateral before granting of margin loans; and assessing the value of the pledged securities/collateral for the provision of margin loans. When determining the fair value of the accounts receivable at the reporting date, the management of CSL evaluate the margin loan portfolios on a fair value basis by primarily considering the value of collateral, which comprised listed securities pledged by the borrowing margin clients, with reference to the quoted prices, to the extent of the outstanding loan amount. The margin loan receivables will be monitored on a case by case basis considering factors, including but not limited to, the repayment history and the financial condition of the margin clients concerned. Periodic reviews on the margin loan portfolios will also be conducted by CSL. In the event of failure to repay interest or outstanding loans by the due date, CSL will issue overdue payment reminders to the relevant borrower, instruct its legal advisers to issue demand letters for loans overdue for a longer period of time, negotiate with the client for the repayment or settlement of the loans and/or commences legal actions against the client.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Breakdown of loan portfolios

As at 31 December 2025, the Group granted approximately HK\$63.5 million (31 December 2024: approximately HK\$89.0 million) to 7 margin clients (31 December 2024: 11 margin clients). The five highest borrowing margin clients accounted for approximately HK\$62 million (31 December 2024: approximately HK\$71.0 million), representing approximately 97% of the total borrowing from margin clients as at 31 December 2025 (31 December 2024: approximately 80%). All margin clients are required to pledge securities as collateral to the Group in order to obtain margin loans. Therefore, all margin loans granted by CSL are secured. During the Financial Year, the interest rate charged on the margin loans was ranging from 8.25% to 8.5% per annum (2024: 8.5% - 9.125%). The determination of the above interest rate was primarily based on the prime rate charged by commercial banks in Hong Kong plus a premium.

Impairment Assessment

The Group measures the impairment loss on the basis of lifetime expected credit loss ("ECL") assessment for the loan receivables from margin clients. The Group monitors the market conditions and adequacy of securities collateral and margin deposits of each margin account on a daily basis. Margin calls and/or forced liquidation will be made where necessary. The management of CSL will inform the Board of the amounts of outstanding margin loans and interest for the relevant year at the end of each reporting period to ensure that adequate provision for impairment losses is made for irrevocable amounts. The Board will then assess whether there are any indications of impairment on margin loan receivables at the relevant year-end date, and if so, will perform an impairment test and determine the amount of impairment loss to be recognised. In estimating the ECL for margin loan receivables, the management uses its judgement for making assumptions and selecting inputs including probabilities of default rates, expected recovery rates from loss given default, forward-looking information and macroeconomic environment. To ensure the adequacy of allowance for ECL on margin loan receivables, the Group engaged independent firms of professional valuers to conduct valuations on the allowance for ECL on margin loan receivables recognised for each financial year, and this impairment allowance was cross-examined by the auditors of the Company.

With reference to the professional valuation on the ECL of margin loans receivable performed by the valuers, a reversal of impairment loss HK\$2.1 million was recognised regarding margin loan receivables for the year ended 31 December 2025 (2024: impairment loss of HK\$7.4 million). No ageing analysis was disclosed as the margin clients were carried on an open account basis, and only fall due on conditions or on demand by the Group. Therefore, it is considered that ageing and analysis does not give additional value in view of the nature of these receivables.

It is believed that the macroeconomic environment will remain vulnerable to uncertainties in the ongoing and escalating geopolitical tensions. Amid broader global uncertainty, the CSL management will continue to equip themselves with updated market information with an aim of expanding the scope of services and customer base. Further, the Company will maintain more communication with existing clients and explore business opportunities with potential clients.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Advertising and Media Business

The Group is a well-established digital out-of-home (“OOH”) media company in Hong Kong and Singapore, with an operating history since April 2004. It had pioneered the concept of creating a sizeable network of flat-panel displays in elevator lobbies of office and commercial complex as well as the residential buildings to sell advertisement. On 22 September 2025, the Group made its decision to consolidate and deploy its limited resources in the Hong Kong market to defend its leading position that it has held since its founding by disposing of its loss-making Singapore operations.

The number of venues in which the Group deployed its flat-panel displays in Hong Kong over the corresponding period of the previous year is shown as follows:

Region	Network	2025	2024
Hong Kong	Office, Commercial and Residential Network	1,161	1,109

As of 31 December 2025, the Group has deployed its branded flat-panel displays at 1,161 office, commercial and residential buildings & venues in Hong Kong under its digital OOH media network.

In addition to the flat-panel displays, the Group’s OOH large format media network in Hong Kong consists of six sites of large LED panels. Combined with its well-established office, commercial and residential networks, the Group offers a well-rounded platform for advertisers to reach their audience at home, at work and at shopping, leisure & entertainment venues.

The Group will continue to pursue the expansion of its digital OOH media networks, adding progressively one venue at a time as well as pursue new static/LED OOH sites under its OOH large format media network.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CORPORATE SOCIAL RESPONSIBILITY

As a good corporate citizen, the Group strives to improve society through community commitment. We continue to find ways to align citizenship initiatives on our platform and we take an active role in participating in various communities and charities events in Hong Kong to help and support the social communities. Remarkable events in 2025 included:

1. Sponsorship for Hong Chi Climathon 2025
2. Sponsorship for ESG's Marketing Excellence Award 2025
3. Sponsorship for Make A Wish Hong Kong Island Flag Day 2025

Sponsorship for Hong Chi Climathon 2025



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Sponsorship for
ESG's Marketing Excellence Award 2025



Sponsorship for
Make A Wish Hong Kong Island Flag Day 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

	2025 HK\$	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$
Turnover	48,092,408	53,982,860	57,960,680	55,568,368	56,133,391
Gross profit	22,482,956	34,416,101	36,265,866	35,881,869	37,039,762
EBITDA ^(Note)	(20,901,525)	(35,209,436)	(36,453,355)	(22,694,210)	1,264,708
Net loss	(17,907,261)	(21,865,887)	(49,612,842)	(32,598,174)	(14,301,244)

Note: EBITDA represents profit/(loss) before finance costs, income tax expense, depreciation of property, plant and equipment and right-of-use assets, impairment loss of property, plant and equipment and right-of-use assets, fair value gain/(loss) on equity investments at fair value through profit or loss, gain/(loss) on termination of lease contracts, gain/(loss) on disposal of subsidiaries, waiver of loan from directors and the profit/(loss) for the year attributable to non-controlling interests. While EBITDA is commonly used as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with HKFRS Accounting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.

The Group's revenue for the year ended 31 December 2025 was approximately HK\$48.1 million (2024: HK\$54.0 million), representing a decrease of approximately 11% over the previous year. Advertising and media business in Singapore was no longer contributed any revenue since disposal of in September 2025 that the Group's revenue from the advertising and media business decreased by approximately 12% to HK\$40.7 million (2024: HK\$46.1 million) as compared to the previous year. As for the financial services business, revenue generated during the year ended 31 December 2025 was approximately HK\$7.4 million (2024: HK\$7.9 million), representing a decrease of approximately 6% over the last year due to the drop of margin interest income by approximately 10% to HK\$6.9 million (2024: HK\$7.6 million).

The Group's gross profit for the year ended 31 December 2025 was approximately HK\$22.5 million (2024: HK\$34.4 million), representing a decrease of approximately 35% over the previous year. The Group's gross profit margin decreased from 64% to 47% due to increase significantly in cost of services by 31% as well as decrease in revenue from advertising and media business located in Singapore by approximately 30%.

The Group's other gains and losses for the year ended 31 December 2025 was gain of approximately HK\$9.5 million (2024: HK\$24.6 million), representing a decrease of approximately 61% over the previous year, mainly decrease in the fair value of the listed equity of approximately 55% as compared to last year. The carrying amount of the equity investments at fair value through profit or loss is approximately HK\$42.5 million (2024: HK\$33.0 million).

The Group's administrative expenses for the year ended 31 December 2025 was approximately HK\$56.0 million (2024: HK\$74.2 million), representing a decrease of approximately 25% over the previous year. The decrease in administrative expenses was due to the drop of operating expenses of the Group, especially in professional service fee during the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's negative EBITDA amounted to approximately HK\$20.9 million for the year ended 31 December 2025 as compared to the Group's negative EBITDA amounted to approximately HK\$35.2 million for the previous year. The decrease in the Group's negative EBITDA is due the disposal of the loss making subsidiaries during the reporting period.

Loss per share for the year ended 31 December 2025 is approximately HK cents 8.13 as compared to a loss per share of HK cents 9.13 for the previous year.

The Group recorded a loss attributable to owners of the parent of approximately HK\$18.7 million for the year ended 31 December 2025 as compared to a loss attributable to owners of the parent of approximately HK\$20.9 million for the previous year.

- (a) Impairment loss of property, plant and equipment and right-of-use assets related to the advertising and media segment and basis of impairment assessment:

For the year ended 31 December 2025, the Group recognise impairment provision of approximately HK\$8.4 million for impairment loss on property, plant and equipment and right-of-use assets in relation to the advertising and media segment because of the unsatisfactory performance of the Group's advertising and media business.

The asset impairment was supported by an independent valuation, Masterpiece Valuation Advisory Limited (the "Valuer") and was reviewed by the Company's auditors. The Group's impairment assessment policy on property, plant and equipment and right-of-use assets was set out in note 4 to the consolidated financial statements of the Company as included in this Annual Report.

With reference to the valuation conducted by the Valuer, the recoverable amounts of the property, plant and equipment and right-of-use assets containing in the cash generating units ("CGU") of Hong Kong (the "Hong Kong CGU") in the advertising and media segment are based on the value-in-use approach using discounted cash flow method by comparing the carrying values and the recoverable amounts of the CGUs. The approach is consistently adopted by the Company and is in-line with the generally accepted approached adopted in Hong Kong.

The details of the key assumptions and inputs adopted in the impairment assessment of the CGUs are as follows:

- (i) Budgeted turnover for the coming five years:

During the years 2026 to 2030, the turnover is estimated to have a slow growth per annum, i.e. the growth rate of turnover for Hong Kong CGU for these five years are 4.0%, 3.5%, 3.0% and 2.5% and 2.0% respectively; the estimated turnover of Hong Kong CGU for the years 2026, 2027, 2028, 2029 and 2030 are HK\$25.3 million, HK\$26.2 million, HK\$27.0 million, HK\$27.7 million and HK\$28.2 million respectively.

- (ii) Budgeted gross profit margins for the coming five years:

During the years 2026 to 2030, it is estimated that the direct cost would growth slowly per annum, the total estimated cost of service for Hong Kong CGU for the years 2026, 2027, 2028, 2029 and 2030 are HK\$19.5 million, HK\$19.6 million, HK\$20.1 million, HK\$20.5 million and HK\$20.9 million respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(iii) Growth rates after five years:

The Group prepared cash flow forecasts deriving from the most recent financial budgets of the advertising and media segment for the next five years with the residual period using the growth rates for the Hong Kong CGU is 2.0% which is based on the estimated Hong Kong inflation rates for the year 2030. These rates do not exceed the average long-term growth rates for the relevant markets.

(iv) Pre-tax discount rates:

The rates used to discount the forecasted cash flows for the Hong Kong CGU is 16.8%. This is weighted average cost of capital of the Hong Kong CGU and then adjusted by iterative computations for the relevant markets.

Based on the valuation results, it was considered that no impairment loss recognized for property, plant and equipment and right-of-use assets related to the advertising and media segment was not unreasonable under the prevailing market circumstance at this point of time.

(b) Impairment loss of margin loans receivables and basis of impairment assessment:

(i) Exposure of default: The exposure of default is the difference between the market value of securities collaterals after haircut and the book value of the margin loan receivables.

As at 31 December 2025, out of the total securities pledged by the customers to the Group as collaterals with undiscounted market value of approximately HK\$47,844,000 (2024: HK\$84,954,000), the market value of securities collaterals amounting to approximately HK\$5,687,000 (2024: HK\$14,348,000) was lower than their corresponding book value of the margin loan receivables, and thus, the difference between the market value of securities collaterals after haircut and the book value of the margin loan receivables of approximately HK\$58,469,000 (2023: HK\$67,099,000) is subject to exposure of default and thus, with reference to the current market and economic conditions and the estimation of the management, the average haircut rate of 45% (2024: 33%) based on market practice was applied to reflect the market risk associated with the securities collaterals, according to the estimation of the management of the Company which was based on the expected volatility of the market price of the securities collaterals.

For the year ended 31 December 2025, the Company recognised a reversal of impairment loss of approximately HK\$2.1 million on margin loans receivable in relation to the financial services segment (2024: impairment HK\$7.4 million). The Group's margin loan receivables are mainly attributable to the margin financing business of its financial services segment. It is the Group's policy to provide credit facility limits to margin clients taking into account of the financial strength, creditworthiness and the past collection statistics of the clients and also determined by the discounted market value of the collateral securities accepted by the Group, where the Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. The margin clients are required to make good the shortfall, if any.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (ii) Probability of default rate: The calculation of the adopted probability of default was reference to the Moody's publication of global default rates. According to the valuation report, the probability of default rate for 2025 was 37.2% (2024: 38.8%).
- (iii) Expected recovery rate from loss given default rate: The rate 0% was adopted as a prudence assumption.
- (iv) Discount factor: The discount factor was not applicable in this valuation because the expected settlement date is within one year from the date of the valuation.

The assessment on the Provision of margin loan receivables and the expected credit loss was prepared with reference to the valuation results conducted by the Valuer. It was believed that the above-mentioned valuation basis, key assumptions and inputs applied by the Valuer were consistent with the current market trends and conditions of the margin financing business. The valuation results have been reflected in the Group's audited financial statement for the year ended 31 December 2025.

With reference to the valuation results, the estimated provision regarding ECL for margin loan receivables of approximately HK\$23,923,000 (2024: HK\$26,041,000) was recognised at the end of the reporting period of 31 December 2025. Accordingly, during the year ended 31 December 2025, reversal of impairment loss of approximately HK\$2,118,000 (2024: impairment loss of approximately HK\$7,446,000) was charged to profit or loss for the year.

As at 31 December 2025, the carrying amount of the Group's margin loan net of ECL impairment losses were approximately HK\$39,601,000 (2024: HK\$62,972,000).

LIQUIDITY AND FINANCIAL RESOURCES

During the Financial Year, the Group financed its daily operations from internally generated resources. As at 31 December 2025, the Group had net current assets of approximately HK\$112 million (2024: HK\$125 million) and cash and cash equivalents of approximately HK\$53 million (2024: HK\$52 million).

GEARING RATIO

The gearing ratio of the Group, calculated as total debt over total capital fund, was approximately 4.2% as at 31 December 2025 (2024: 11.4%).

FOREIGN EXCHANGE

For the year ended 31 December 2025, the Group was exposed to foreign currency risk with respect to its operations in Singapore where most of the business transactions, assets and liabilities were denominated in Singapore dollars. Following completion of the disposal of its operations in Singapore in September 2025, it is believed that the Group's foreign currency exposure has been reduced. The Group will monitor its foreign currency exposure from time to time. During the year ended 31 December 2025, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 28 July 2011. The capital of the Company comprises ordinary shares and capital reserves. As at 31 December 2025, the authorised share capital of the Company was HK\$500,000,000 divided into 50,000,000,000 ordinary shares of HK\$0.01 each ("Share(s)"), and the issued share capital was HK\$2,294,184.48 divided into 229,418,448 Shares as fully paid.

DIVIDEND

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

INFORMATION ON EMPLOYEES

As at 31 December 2025, the Group had 39 employees (2024: 53 employees), including the Executive Directors (the "Executive Directors"). The decrease in headcount is in line with the disposal of business operations in Singapore during the Financial Year. Total staff costs (including Directors' emoluments) were approximately HK\$32 million for the Financial Year (2024: HK\$32 million). Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to mandatory employment-based pension schemes, e.g. Mandatory Provident Fund scheme in Hong Kong.

SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries and an associate, and as disclosed in Note 21 to the Consolidated Financial Statements, the Group did not hold any significant investment in any company as at 31 December 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS

As disclosed in the announcement of the Company dated 17 September 2025, Focus Media Network Limited ("FMN", a wholly-owned subsidiary of the Company) entered into a sales and purchase agreement (the "Sale and Purchase Agreement") to dispose of the entire issued share capital of Focus Media Singapore Pte. Limited ("FMSG", a wholly-owned subsidiary of FMN and was principally engaged in the provision of out-of-home advertising services in Singapore) for total cash consideration of HK\$3,000,000 (the "Disposal"). Completion of the Disposal pursuant to the Sale and Purchase Agreement took place in September 2025, and the Company no longer had any interest in FMSG thereafter.

Save as disclosed herein, and as disclosed in Note 35 to the Consolidated Financial Statements, the Group did not make any material acquisition or disposal, nor had other plans for material investments and capital assets during the Financial Year.

CHARGES OF ASSETS

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

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (2024: Nil).

EXECUTIVE DIRECTORS

Ms. FAN Yandi, aged 32, was appointed as an executive Director and the chairlady of the Board on 25 March 2025. She graduated from Wuhan University of Technology in Financial Services, then obtained Bachelor of Arts with Honours in International Banking and Finance from Sheffield Hallam University in the UK and Master of Science in International Financial and Political Relations from Loughborough University in the UK. Ms. Fan has extensive experience in the capital market and financial services industry in the People's Republic of China (the "PRC"). In addition to her knowledge and experience in finance and data analytics, Ms. Fan has acquired practical experience with cutting-edge technology that powers fintech, such as artificial intelligence (AI), blockchain and other digital innovations. Ms. Fan oversees the management and operations of the Company with focus on exploration of new business with growth potential in alignment with the corporate strategy of business development.

Mr. AN Xilei, aged 46, was appointed as an executive Director on 1 December 2016. At present, Mr. An is also the chairman of each of the corporate governance committee, the executive committee and the investment committee; as well as an authorised representative (pursuant to Rule 5.24 of the GEM Listing Rules) of the Company. Mr. An is currently the chairman of 深圳市百獸控股有限公司 (Shenzhen Baishou Holding Co., Ltd*) in the PRC. Mr. An has extensive experience in business investments in various fields including real estate, financial services and internet industries over a span of different markets like Hong Kong and the U.S.A. He is the elder brother of Mr. An Xishuai, an executive director of the Company.

* The English name of the PRC entity is for information purpose only. In case of any inconsistency, the Chinese name shall prevail.

Mr. WONG Hong Gay Patrick Jonathan, aged 61, co-founded Focus Media Network Limited (re-named in January 2018 as Cornerstone Financial Holdings Limited) (the "Company") in April 2004 and led its listing on the Stock Exchange in July 2011. He was appointed a Director on 24 March 2011 and designated as an executive Director on 9 June 2011. At listing he assumed the roles of the chairman of the Board and a member of the remuneration committee of the Company, and subsequently the chairman of each of the nomination committee and the corporate governance committee of the Company until 1 December 2016. Mr. Wong has been the chief executive officer of the Company since its founding. He is also a director of certain subsidiaries of the Company. Apart from charting the Company's vision and mission and meeting the Company's overall business objectives, Mr. Wong is also responsible for key client/partnership development and new business initiatives and overall management of advertising sales and business development functions. Mr. Wong is an entrepreneur with over three decades of start-up and operational experience with a wide range of global and regional media and entertainment, broadcasting, mobile and satellite telecommunications, internet and digital out-of-home ventures. After completing six years of military service in Singapore, Mr. Wong started his career in publishing and in 1991 joined the founding team that launched Star TV. He went on to establish the regional satellite broadcaster's regional office in Singapore and served as its regional director, advertising sales for the Southeast Asia region. A year after the network was acquired by News Corporation, Mr. Wong was invited to rejoin the founders of Star TV to work on the launch of Pacific Century Group's Corporate Access where he served as the satellite-based corporate communications services provider's vice president for sales and advertising & promotions. When Corporate Access was acquired by Hutchison Whampoa, Mr. Wong was transferred to Hutchison Telecommunications where he served as its vice president, business development for the Asia region. While at Hutchison Telecommunications, Mr. Wong developed the desire to join the race to provide the world's first global mobile personal communications service or GMPCS. That led to his joining of Silicon Valley-based Local Space & Communications' Globalstar where he subsequently established the constellation's regional office in Hong Kong and served as its regional director for the Southeast Asia region. In 1999, Mr. Wong embraced the Asian Internet boom and became the founding managing director for 24/7 Media Asia, one of the three founding business units of Chinadotcom. At 24/7 Media Asia, Mr. Wong built a pan-Asian interactive advertising sales network that stretches across nine Asian countries within its first year of operations. Shortly afterwards, Mr. Wong founded the AdSociety Group, a venture that eventually became a part of the PCCW Group. As founder and group CEO, Mr. Wong established offices across nine major cities and formed joint ventures with Tokyu Agency Inc. (a member of Tokyu Corporation), LG Advertising Inc. (a member of LG Group) and the People's Daily Group, in Japan, South Korea and China, respectively, and worked with numerous sales and technology partners in the United States and Europe to establish a global advertising sales network and provided integrated online, broadband and mobile advertising, marketing and sales services to a diverse spectrum of premium online media properties. Following the burst of the technology bubble and the events of September 11, the Internet and mobile advertising venture was divested by PCCW on 3 October 2001. Soon afterwards, Mr. Wong was invited to rejoin the founders of PCCW to serve as the CEO of NOW Satellite TV.

DIRECTORS' PROFILE (CONTINUED)

Mr. MOCK Wai Yin, aged 53, was appointed as an executive Director on 27 November 2015. Currently, he is also an authorised representative (pursuant to Rule 5.24 of the GEM Listing Rules) and a member of the corporate governance committee of the Company. He is also a director of certain subsidiaries of the Company. Mr. Mock holds a Master of Philosophy degree in Biochemistry from The Chinese University of Hong Kong and a Master of Science degree in Hazard Analysis and Critical Control Point from University of Salford. He also holds a Postgraduate Diploma in Professional Accounting. Mr. Mock has over 15 years of experience in research analysis and over three years of world-wide experience in natural resources, project investment and property development as well as project valuation and budget management. He was an executive director of Boill Healthcare Holdings Limited (a company listed on the Stock Exchange with stock code: 1246) from July 2015 to December 2018, and of South East Group Limited (now known as DIT Group Limited, a company listed on the Stock Exchange with stock code: 726) from December 2013 to February 2015.

Mr. LIU Shihao, aged 31, was appointed as an executive Director, a member of each of the executive committee and investment committee of the Company on 5 September 2023. He is also a director of certain subsidiaries of the Company. Mr. Liu obtained his master's degree in Finance from City University of Hong Kong and bachelor's degree in mechatronic engineering from Chongqing University in the People's Republic of China. Mr. Liu worked for PacRay International Holdings Limited (now known as Sky Blue 11 Company Limited) (stock code: 1010, a company listed on the Main Board of the Stock Exchange) from July 2019 to July 2020, where his responsibilities included due diligence and research of some potential investment projects. He worked for the Company from July 2020 to November 2020, where his responsibilities included investment analyzing and post investment project supervising; then worked as a licensed representative for Cornerstone Securities Limited (a 91.19% indirectly owned subsidiary of the Company) together with its fellow subsidiary carrying on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO from April 2021 to August 2021. Mr. Liu was an executive director of DeTai New Energy Group Limited (stock code: 559, a company listed on the Main Board of the Stock Exchange) from August 2021 to March 2022, and an executive director of Windmill Group Limited (now known as HSC Resources Group Limited) (stock code: 1850, a company listed on the Main Board of the Stock Exchange) from November 2021 to July 2023.

Mr. AN Xishuai, aged 41, was appointed as an executive Director on 28 November 2024. Currently, he is also a member of each of the executive committee and investment committee of the Company. He has more than 15 years of working experience and management expertise in various industry sectors through establishing his own business. Prior to joining the Company, Mr. An was an entrepreneur running his own business such as real estate development, property leasing, financial leasing and investment and management consulting in the People's Republic of China, hence has accumulated extensive management experience through business formation and subsequent participation in the operations, business development and overall management of those companies. Mr. An is mainly responsible for supervising the administrative functions of the Group for fulfillment of the ever-changing administrative needs to achieve business strategies and operational goals. He is a younger brother of Mr. An Xilei, an executive director of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Chi Keung Alan, aged 62, was appointed an independent non-executive Director on 9 June 2011. Currently, he is also a member of each of the audit committee, remuneration committee and nomination committee of the Company. Mr. Chan is a qualified solicitor admitted in England & Wales in October 1991 and in Hong Kong in February 1992 and has practiced corporate and commercial law for more than three decades. Mr. Chan is an independent non-executive director, and a member of each of the audit committee and nomination committee of Changyou International Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1039); and an independent non-executive director, the chairman of the nomination committee, a member of each of the audit committee and remuneration committee of Raffles Interior Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1376). Previously, Mr. Chan was the senior general counsel of Imperial Pacific International Holdings Limited, a company formerly listed on the Main Board of the Stock Exchange (stock code: 1076), which owns an exclusive casino gaming license in Saipan, Commonwealth of Northern Mariana Islands, and prior to that, he was the Vice President, Legal of NagaCorp Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3918) which owns, manages and operates the largest integrated gaming, leisure and entertainment hotel complex in the Kingdom of Cambodia, as well as the Head of Legal Services for the Hong Kong Jockey Club. Mr. Chan started his career in 1992 in Hong Kong as a corporate finance lawyer with Stephenson Harwood & Lo. He later acted as the senior assistant director, legal department, of the Land Development Corporation (now known as Urban Renewal Authority). Mr. Chan was the legal counsel for one of the leading US information technology companies, Sun Microsystems for Greater China, the Asia Pacific legal director for St. Jude Medical, and the vice president of Legal Affairs at Celestial Pictures Limited, a subsidiary of Astro All Asia Networks Plc., a Malaysian company that carries out business relating to cross media, in particular, direct-to-home television services, commercial radio and television programming. Celestial Pictures Limited is a commercial media company that owns and distributes the largest film library in Asia, including the Shaw Brothers film library, with worldwide entertainment assets in the motion picture, television, and new media industries. Mr. Chan obtained a Bachelor of Science degree in Civil Engineering from the Aston University of Birmingham, England in July 1986 and a LLB in China Law from the China University of Political Science and Law, Beijing, PRC in June 1999. He served as a board director (and former chairman) of Theatre Space Foundation Limited, a theatrical drama performance charitable institution; and Tong Sam Charity Association with objectives to build schools and provide other educational support to children in need. Mr. Chan is a Council Member of the China Overseas Friendship Association, Beijing, China; legal advisor of the Hong Kong Chiu Chow Community Organizations Limited and the Overseas Teo Chew Entrepreneurs Association Limited.

DIRECTORS' PROFILE (CONTINUED)

Ms. LAU Mei Ying, aged 43, was appointed as an independent non-executive Director on 27 November 2015. Currently, she is also a member of each of the audit committee, nomination committee, remuneration committee and corporate governance committee of the Company. Ms. Lau graduated from The Chinese University of Hong Kong with a bachelor degree of Social Science in Economics. Ms. Lau has extensive experiences in the financial market and insurance underwriting. Ms. Lau was an independent non-executive director of Global Mastermind Holdings Limited (stock code: 8063) from 19 November 2024 to 7 August 2025; an executive director of PacRay International Holdings Limited (now known as Sky Blue 11 Company Limited) (stock code: 1010) from 31 August 2017 to 14 April 2021; and an independent non-executive director of Boill Healthcare Holdings Limited (stock code: 1246) from 15 July 2015 to 17 July 2017.

Mr. WONG Man Hong, aged 40, was appointed as an independent non-executive Director, the chairman of each of the audit committee, remuneration committee and nomination committee of the Company on 16 July 2021. Mr. Wong graduated from the City University of Hong Kong with a Bachelor's degree of Business Administration in Accounting. He has been a fellow member of the Hong Kong Institute of Certified Public Accountants since 2011. Mr. Wong has extensive experience in the fields of accounting, auditing and financing. He started his career and served as a manager in PricewaterhouseCoopers, and has been taking up senior positions in various companies listed on the Main Board of the Stock Exchange engaging in operation of P2P internet financing platform, securities trading, money lending and new energy business. Previously, he was the financial controller of DeTai New Energy Group Limited (stock code: 559). Currently, he is the chief financial officer and company secretary of Wah Sun Handbags International Holdings Limited (stock code: 2683). He was an independent non-executive director of Asia Pacific Silk Road Investment Company Limited (now known as Zhong Ji Longevity Science Group Limited) (stock code: 767) from 23 June 2020 to 31 December 2020.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board of Directors of the Company (the “Board”) believes that good corporate governance is one of the areas that leads to the success of the Company and in balancing the interests of Shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The Company’s corporate governance practices are based on the principles and code provisions as set out in the prevailing Corporate Governance Code in Appendix C1 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the applicable code provisions (the “Code Provision(s)”) set out in Part 2 of the Corporate Governance Code then in force (the “CG Code”) for the year ended 31 December 2025, except where otherwise stated in this report. It was noted that recent amendments to the Corporate Governance Code and the related GEM Listing Rules became effective from 1 July 2025 and will apply to corporate governance reports published in respect of financial years commencing on or after that date. The Board will report its compliance against such requirements in its next corporate governance report.

It is a strategic goal of the Company to bring additional value to the Group in the long run with adoption of flexible business model, yet in a prudent approach to preserve value over the longer term. The Board aims to cultivate good corporate governance in the Group’s culture and to enhance awareness of employees to act lawfully, ethically and responsibly while contributing to the business development of the Group. Details on the Group’s business performance and financial review for the year ended 31 December 2025 are set out in the “Management Discussion and Analysis” section of this annual report.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. The Company, having made specific enquiry to all Directors, confirms that the Directors have complied with the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules for the year ended 31 December 2025.

BOARD OF DIRECTORS

Board Composition and Responsibilities

The Board comprised the following directors during the year ended 31 December 2025 and up to the date of this report:

Executive Directors:

Ms. FAN Yandi (*Chairperson*) (*appointed on 25 March 2025*)

Mr. AN Xilei (*Chairperson up to 25 March 2025*)

Mr. WONG Hong Gay Patrick Jonathan (*CEO*)

Mr. MOCK Wai Yin

Mr. LIU Shihao

Mr. AN Xishuai

Mr. SUN Lihua (*resigned on 25 March 2025*)

Independent Non-executive Directors:

Mr. CHAN Chi Keung Alan

Ms. LAU Mei Ying

Mr. WONG Man Hong

CORPORATE GOVERNANCE REPORT (CONTINUED)

The relationship among members of the Board, and between the chairman and chief executive of the Company, and biographical details of the Directors who are currently serving the Board are set out in the section headed “Directors’ Profile” of this annual report. Save for the Directors’ business relationships as a result of their respective directorships in the Company and its subsidiaries or else as disclosed in each of their respective biographies as aforementioned or in this annual report, there are no financial, business, family or other material or relevant relationships among members of the Board.

The Board is accountable to the Shareholders for the Company’s performance and activities. While the Board is primarily overseeing and managing the Company’s affairs, the Chairman of the Board (the “Chairman”) provides leadership to the Board in carrying out its duties. The executive Directors (the “Executive Director(s)”) constituting the senior management of the Company are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The non-executive Directors (the “Non-executive Director(s)”) (including the Independent Non-executive Directors) contribute valuable views and proposals for the Board’s deliberation and decisions.

The Independent Non-Executive Directors do not participate in the day-to-day management of the Company and do not involve themselves in business transactions or relationships with the Company, in order not to compromise their objectivity. In staying clear of any potential conflict of interest, the Independent Non-Executive Directors remain in a position to fulfill their responsibility to provide check and balance to the Board of the Company.

Conduct of Board Meetings

The Board has drawn up a schedule to meet regularly at least four times a year at approximately quarterly intervals, pursuant to Code Provision C.5.1 of the CG Code, to consider and approve quarterly, half-yearly and annual results of the Group, as well as to discuss the overall strategy, business operations and development of the Group. Notice is given to all Directors at least 14 days in advance for a regular board meeting in accordance with Code Provision C.5.3 of the CG Code. For the sake of flexibility, the Board may also hold meetings whenever necessary other than the regular meetings; in such case, reasonable notice will be given. For the year ended 31 December 2025, the Board has convened seven meetings (including four regular Board meetings but excluding the committee meetings) that required Directors’ attendance in person or through electronic means of communication.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' Attendance at Board/General Meetings

During the year ended 31 December 2025, the Company has held one general meeting (the annual general meeting for 2025). The individual attendance record of each Director at the meetings of the Board and general meeting is as follows:

	Number of Board meetings attended/held	Number of general meetings attended/held
<i>Executive Directors:</i>		
Ms. FAN Yandi (<i>appointed on 25 March 2025</i>)	6/6	1/1
Mr. AN Xilei	7/7	1/1
Mr. WONG Hong Gay Patrick Jonathan	7/7	1/1
Mr. MOCK Wai Yin	5/7	1/1
Mr. LIU Shihao	7/7	1/1
Mr. AN Xishuai	7/7	1/1
Mr. SUN Lihua (<i>resigned on 25 March 2025</i>)	0/1	0/0
<i>Independent Non-executive Directors:</i>		
Mr. CHAN Chi Keung Alan	7/7	1/1
Ms. LAU Mei Ying	7/7	1/1
Mr. WONG Man Hong	7/7	1/1

As stated above, appropriate notices are given to all Directors in advance for attending regular and other Board or Board committee meetings. Meeting agenda and other relevant information are provided to the Directors in advance of the Board or Board committee meetings. There are arrangements in place to ensure all Directors are given an opportunity to include matters in the agenda for regular Board meetings pursuant to Code Provision C.5.2 of the CG Code.

Directors have access to the advice and services of the company secretary of the Company (the "Company Secretary") with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

Draft of the minutes will be circulated to all Directors and/or all members of the relevant Board committees for their comment within a reasonable time after convening of the pertaining meetings. Minutes of Board and Board committee meetings are kept by the Company Secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director in accordance with Code Provision C.5.4 of the CG Code.

In addition, a meeting between the Chairman and the Independent Non-executive Directors was held without the presence of other Directors in accordance with Code Provision C.2.7 of the CG Code during the Financial Year.

The Company has arranged for appropriate liability insurance cover for its Directors in accordance with Code Provision C.1.8 of the CG Code. The insurance coverage is reviewed on an annual basis.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Chairman and Chief Executive

During the Financial Year, the position of the Chairman was held by Mr. An Xilei up to 25 March 2025, then by Ms. Fan Yandi from 25 March 2025 and up to the date of this report. The position of the chief executive officer of the Company (the “Chief Executive Officer”) was held by Mr. Wong Hong Gay Patrick Jonathan. The roles of Chairman and Chief Executive Officer are separate in accordance with Code Provision C.2.1 of the CG Code. The Chairman is responsible for the management of the Board to formulate business development strategy; while the Chief Executive Officer focuses on the day-to-day management of business and operations.

Term of Appointment and Re-election of Directors

Each of the six Executive Directors, who are currently serving the Board, has entered into a service contract or letter of appointment with the Company as follows: Ms. Fan Yandi has entered into a letter of appointment with the Company terminable by not less than one month’s notice in writing served by either party to the other; Mr. An Xilei has entered into a service contract with the Company terminable by giving not less than three months’ notice in writing served by either party on the other; Mr. Wong Hong Gay Patrick Jonathan has entered into a service contract with the Company for an initial fixed term of one year and shall continue thereafter until terminated by not less than six months’ notice in writing served by either party on the other; Mr. Mock Wai Yin has entered into a letter of appointment with the Company terminable by not less than three months’ notice in writing served by either party on the other; Mr. Liu Shihao has entered into a service contract with the Company terminable by either party giving not less than three months’ notice in writing served on the other; and Mr. An Xishuai has entered into a service contract with the Company terminable by either party giving not less than three months’ notice in writing served on the other. Each of the three Independent Non-executive Directors has entered into a service contract or letter of appointment with the Company as follows: Mr. Chan Chi Keung Alan has entered into a service contract with the Company for a term of one year renewable automatically for successive terms of one year until terminated by not less than one month’s notice in writing served by either party on the other. Each of Ms. Lau Mei Ying and Mr. Wong Man Hong has entered into a letter of appointment with the Company terminable by not less than three months’ notice in writing served by either party on the other. The terms of office of all Directors are subject to retirement by rotation and re-election at annual general meetings at least once every three years in accordance with the provisions of the articles and association of the Company (the “Articles of Association”).



CORPORATE GOVERNANCE REPORT (CONTINUED)

In accordance with Article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the first annual general meeting of Members after his appointment and shall be eligible and subject to re-election at such meeting. In accordance with Article 84 of the Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. The Directors to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Pursuant to Article 83(3) of the Articles of Association, Ms. Fan Yandi (appointed on 25 March 2025) retired at the annual general meeting held on 13 May 2025 and was re-elected thereat. Pursuant to Article 84 of the Articles of Association, Mr. Mock Wai Yin, Mr. Liu Shihao and Ms. Lau Mei Ying shall retire from office at the 2026 Annual General Meeting. All of them being eligible, will offer themselves for re-election at such annual general meeting.

Board Independence

The Company recognises that board independence is pivotal in good corporate governance and board effectiveness. In compliance with Code Provision B.1.4 of the CG Code, the Board has established a mechanism to ensure a strong independent element on the Board which allows the Board to effectively exercise independent judgement to better safeguard Shareholders' interests.

The governance framework and board independence evaluation mechanism is summarised as follows:

- Three out of nine Directors are Independent Non-executive Directors, which meets the requirements of the GEM Listing Rules that the Board must have at least three Independent Non-executive Directors and must appoint Independent Non-executive Directors representing at least one-third of the Board.
- The nomination committee of the Company will assess annually the independence of all Independent Non-executive Directors and to affirm if each of them satisfies the criteria of independence as set out in the GEM Listing Rules and is free from any relationships and circumstances which are likely to affect their independent judgement. Every member of the above committee should abstain from assessing his/her own independence.
- External independent professional advice is available as and when required by individual Directors.
- Directors are encouraged to access and consult with the Company's management, if necessary.

The implementation and effectiveness of the mechanism is reviewed on an annual basis.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Confirmation of Independence of Independent Non-executive Directors

Each of the existing Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is not aware of any subsequent change of circumstance which may affect their independence. The Company is of the view that all existing Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Directors' Participation in Continuous Professional Trainings

Newly appointed Directors will be provided with necessary induction and information to ensure that they have a proper understanding of the Company's business and operations, as well as director's responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

Under Code Provision C.1.4 of the CG Code, Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company will provide the Directors with updates on laws, rules and regulations which may be relevant to their roles, duties and functions as director of a listed company, as well as updates on the Company's performance, position and prospects as and when appropriate to enable them to discharge their duties. Directors are also encouraged to attend relevant training courses at the Company's expense.

CORPORATE GOVERNANCE REPORT (CONTINUED)

A summary of training taken during the Financial Year by the Directors who have been serving the Board is set out below:

	Training activities including in-house briefings/updates, training courses/seminars held by professional organisations and/or reading materials on relevant topics
<i>Executive Directors:</i>	
Ms. FAN Yandi (<i>appointed on 25 March 2025</i>) (<i>Note</i>)	✓
Mr. AN Xilei	✓
Mr. WONG Hong Gay Patrick Jonathan	✓
Mr. MOCK Wai Yin	✓
Mr. LIU Shihao	✓
Mr. AN Xishuai	✓
Mr. SUN Lihua (<i>resigned on 25 March 2025</i>)	N/A
<i>Independent Non-executive Directors:</i>	
Mr. CHAN Chi Keung Alan	✓
Ms. LAU Mei Ying	✓
Mr. WONG Man Hong	✓

Note: Upon appointment as a director of the Company, necessary induction and information regarding the Company have been provided, and legal advice as regards director's responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements has been obtained.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD COMMITTEES

The Board has set up various committees to oversee specific aspects of the Company's affairs to enhance efficiency and effectiveness in the management of the Board for delivering the Company's objectives.

Audit Committee

The audit committee of the Company (the "Audit Committee") was established with written terms of reference in compliance with the relevant code provisions of the CG Code applicable from time to time. The terms of reference of the Audit Committee adopted on 26 March 2012 were amended in January 2016 and January 2019 to reflect the additional responsibilities of the Audit Committee in view of the requirements on risk governance in the corporate governance code applicable to accounting periods beginning on or after 1 January 2016 and to reflect the relevant amendments to the corporate governance code and the related GEM Listing Rules which took effect on 1 January 2019 respectively. The latest version of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting system, risk management and internal control procedures. It reports to the Board and has held regular meetings to review and make recommendations to improve the Group's financial reporting and internal control matters.

The composition of the Audit Committee during the Financial Year and up to the date of this report is as follows:

Independent Non-executive Directors:

Mr. WONG Man Hong (*Chairman*)

Mr. CHAN Chi Keung Alan

Ms. LAU Mei Ying

During the Financial Year, the Audit Committee has held three meetings and the attendance of each of its members is set out below:

Name of member	Number of meetings attended/held
Mr. WONG Man Hong (<i>Chairman</i>)	3/3
Mr. CHAN Chi Keung Alan	3/3
Ms. LAU Mei Ying	3/3

CORPORATE GOVERNANCE REPORT (CONTINUED)

The summary of work of the Audit Committee during the Financial Year is as follows:

- reviewed the annual and interim reports of the Company and provided advice and recommendations to the Board in such regard;
- met with the external auditors and reviewed the annual report of the Company;
- reviewed the effectiveness of the Company's internal control and risk management systems;
- recommended the re-appointment of the auditors; and
- met with the external auditors and reviewed audit fees, nature and scope of the audit, reporting obligations and other relating matters before commencement of audit.

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") was established with written terms of reference in compliance with the relevant code provisions of the corporate governance code applicable from time to time. The written terms of reference of the Remuneration Committee adopted on 26 March 2012 were amended in March 2023 to reflect the relevant amendments to the corporate governance code and the related GEM Listing Rules which took effect on 1 January 2022. The latest version of the terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is responsible for, among others, making recommendations to the Board on the Company's emolument policy and on the establishment of a formal and transparent procedure for developing such policy and to review and approve the Management's remuneration proposals with reference to the Board's corporate goals and objectives. According to Code Provision E.1.2(i) of the CG Code, the Remuneration Committee should also review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules. The Company had neither any share option scheme nor any share options remained outstanding as at 31 December 2025 and up to the date of this report. Therefore, no material matter relating to share option scheme has been reviewed by the Remuneration Committee.

The composition of the Remuneration Committee during the Financial Year and up to the date of this report is as follows:

Independent Non-executive Directors:

Mr. WONG Man Hong (*Chairman*)

Mr. CHAN Chi Keung Alan

Ms. LAU Mei Ying

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the Financial Year, the Remuneration Committee has held two meetings and the attendance of each of its members is set out below:

Name of member	Number of meetings attended/held
Mr. WONG Man Hong (<i>Chairman</i>)	2/2
Mr. CHAN Chi Keung Alan	2/2
Ms. LAU Mei Ying	2/2

The summary of work of the Remuneration Committee during the Financial Year is as follows:

- recommended to the Board on the remuneration packages of individual director upon appointment;
- recommended to the Board the discretionary bonus, if any, payable to the Executive Directors for the Financial Year;
- reviewed the remuneration packages of the Executive Directors for the Financial Year; and
- reviewed the director's fees of the Non-executive Directors (including the Independent Non-executive Directors) for the Financial Year.

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") was established with written terms of reference in compliance with the relevant code provisions of the corporate governance code applicable from time to time. The written terms of reference of the Nomination Committee adopted on 26 March 2012 were amended in January 2019 to reflect the relevant amendments to the corporate governance code and the related GEM Listing Rules which took effect on 1 January 2019. The latest version of the terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee include reviewing the structure, size and composition of the Board at least annually, identifying individuals suitably qualified to become Directors, assessing the independence of Independent Non-executive Directors and making recommendations to the Board on appointment and re-appointment of Directors.

The composition of the Nomination Committee during the Financial Year and up to the date of this report is as follows:

Independent Non-executive Directors:

Mr. WONG Man Hong (*Chairman*)
Mr. CHAN Chi Keung Alan
Ms. LAU Mei Ying

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the Financial Year, the Nomination Committee has held two meetings and the attendance of each of its members is set out below:

Name of member	Number of meetings attended/held
Mr. WONG Man Hong (<i>Chairman</i>)	2/2
Mr. CHAN Chi Keung Alan	2/2
Ms. LAU Mei Ying	2/2

The summary of work of the Nomination Committee during the Financial Year is as follows:

- evaluated and made recommendation on individuals nominated for directorship;
- reviewed the structure, size and composition of the Board having due regard to the Board Diversity Policy;
- reviewed the independence of the Independent Non-executive Directors; and
- made recommendation on the retiring Directors at the 2026 Annual General Meeting of the Company for re-election.

Board Diversity Policy

The Company recognizes the benefits of diversity of Board members. The board diversity policy of the Company (the "Board Diversity Policy") has been published on the Company's corporate website (www.cs8112.com) for public information. A summary of this policy is set out below. In designing the Board's composition and selecting candidates to the Board, board diversity has been considered from a number of aspects and measurable objectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee monitors the implementation of the Board Diversity Policy and reviews the policy from time to time and shall bring to the attention of the Board any significant issues or recommendations as and when necessary and appropriate, to ensure its effectiveness. The Nomination Committee will discuss any revisions to the Board Diversity Policy that may be required and recommend any such revisions to the Board for consideration and approval. The Board will review the implementation and effectiveness of the Board Diversity Policy annually. It is considered that the existing Board is sufficiently diverse.

The Nomination Committee from time to time reviews the composition of the Board with particular regard to ensuring that there is an appropriate number of directors on the Board independent of management. For the year ended 31 December 2025 and up to the date of this report, the Board comprises nine Directors. Three of them are Independent Non-executive Directors and independent of management, thereby promoting critical review and control of the management process. The Board is considered as diversified in terms of gender, professional background and skills of its members.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Gender Diversity

Board Level

As at 31 December 2025, the Board comprised seven male members and two female members. The current female representation on the Board is in compliance with the relevant requirement of Rule 17.104 of the GEM Listing Rules as regards gender diversity and will be maintained. Further, the existing Board composition is considered as sufficiently diverse in terms of gender ratio according to the circumstances of the Company for the time being.

Workforce Level

The Company welcomes all gender to join. The recruitment strategy is to employ a right staff member for a right position regardless of the gender. The Company commits to provide equal opportunities to its staff in respect of recruitment, training and development, job advancement, and remuneration and benefits. Details of workforce composition were disclosed in the Environmental, Social and Governance Report in this annual report.

Nomination of Directors

The Nomination Committee is responsible for the formulation of nomination policies, making recommendations to Shareholders on directors standing for re-election, providing sufficient biographical details of directors to enable Shareholders to make an informed decision on the re-election, making recommendations on the appointment of directors, and where necessary, nominating appropriate persons for selection and approval by the Board to fill casual vacancies or as additions to the Board.

The Company adopted a nomination policy (the "Nomination Policy") in March 2019, which has been published on the Company's corporate website for public information. The Nomination Policy sets out the selection criteria and procedures governing the nomination of Directors applicable to both new appointments and re-appointments. A summary of this policy is set out below. When assessing the suitability of individuals nominated for directorships (including a director eligible for re-appointment), it will take into consideration selection criteria such as expertise, experience, diversity perspectives as set out in the Board Diversity Policy, integrity and commitment.

The Nomination Committee will monitor the implementation of the Nomination Policy from time to time and make recommendations to the Board on any proposed revisions as and when necessary to ensure its effectiveness.

Corporate Governance Committee

The corporate governance committee of the Company (the “Corporate Governance Committee”) was established with written terms of reference in compliance with the relevant code provisions of the corporate governance code applicable from time to time. The written terms of reference of the Corporate Governance Committee are available on the websites of the Company and the Stock Exchange.

The composition of the Corporate Governance Committee during the Financial Year and up to the date of this report is as follows:

Executive Directors:

Mr. AN Xilei (*Chairman*)

Mr. MOCK Wai Yin

Independent Non-executive Director:

Ms. LAU Mei Ying

Pursuant to Code Provision A.2.1 of the CG Code, the primary duties of the Corporate Governance Committee include, among others, to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of directors and senior management; and to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements.

During the Financial Year, the Corporate Governance Committee has held one meeting and the attendance of each of its members is set out below:

Name of member	Number of meetings attended/held
Mr. AN Xilei (<i>Chairman</i>)	1/1
Mr. MOCK Wai Yin	1/1
Ms. LAU Mei Ying	1/1

The summary of work of the Corporate Governance Committee during the Financial Year is as follows:

- reviewed the corporate governance policies and practices of the Group;
- reviewed the training programmes for Directors and senior management of the Company;
- reviewed the Company’s code of conduct and other compliance manuals;
- reviewed the current practices on compliance with legal and regulatory requirements;
- provided latest updates on laws, rules and regulations to Directors; and
- reviewed the compliance with the Code Provisions and disclosures in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Executive Committee

The Board established the Executive Committee on 26 March 2018 with specific terms of reference to deal with its authority and duty. To enhance its corporate governance and in line with the changes to the composition of the Board, the written terms of reference of the Executive Committee were amended in October 2018. The latest version of the terms of reference of the Executive Committee is available on the websites of the Company and the Stock Exchange.

The primary duties of the Executive Committee include, among others, to make business and investment decisions; to evaluate, determine and approve the Company's funding requirements and to formulate financial/treasury planning strategy; to agree the required facilities with banks and/or financial institutions in accordance with the financial/treasury plan approved by the Board; and to assume such other responsibilities as from time to time may be delegated by the Board.

The composition of the Executive Committee during the Financial Year and up to the date of this report is as follows:

Executive Directors:

Mr. AN Xilei

Mr. LIU Shihao

Mr. AN Xishuai (*appointed on 25 March 2025*)

During the Financial Year, the Executive Committee has held four meetings. The attendance of individual members at the Executive Committee meetings that required attendance in person or through electronic means is set out below:

Name of member	Number of meetings attended/held
Mr. AN Xilei (<i>Chairman</i>)	4/4
Mr. LIU Shihao	4/4
Mr. AN Xishuai (<i>appointed on 25 March 2025</i>)	3/3

Investment Committee

The Board established the investment committee (the “Investment Committee”) in August 2022 with specific terms of reference to deal with its authority and duty. The terms of reference of the Investment Committee are available on the websites of the Company and the Stock Exchange.

The objective of the Investment Committee is to, among others, enhance the Group’s investment returns, preserve the value of the Company’s reserves and/or achieve capital appreciation. The Executive Committee provides oversight and direction to the Investment Committee. Its primary duties include, among others, to evaluate investment projects for the long-term business development of the Company and relevant financing solutions for making recommendation to the Board; to review the Company’s financial controls, investing capital, financing strategy and treasury risk management in relation to investment projects from time to time; to supervise and monitor the implementation of investment matters duly approved by the Board; and to assume such other responsibilities as from time to time may be delegated by the Board.

As at 31 December 2025, the Investment Committee comprised three Executive Directors, namely Mr. An Xilei, Mr. Liu Shihao and Mr. An Xishuai (appointed on 25 March 2025), and the financial controller of the Company.

The Investment Committee deals with matters within its delegated authority and may convene meetings as and when necessary. No meetings were held by the Investment Committee during the Financial Year.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of Executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration the Company’s performance and prevailing market conditions. The remuneration policy of Non-executive Directors (including Independent Non-executive Directors) is to ensure that the Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company’s affairs including their participation in respective Board committees. The emoluments of Non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends.

Details of directors’ and chief executive officer’s emoluments and the five highest paid employees in the Group are set out in Notes 14 and 15 to the Consolidated Financial Statements respectively.

CORPORATE GOVERNANCE REPORT (CONTINUED)

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and suitable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable; and the financial statements are prepared on a going concern basis.

Financial Reporting

Pursuant to Code Provision D.1.2 of the CG Code, the management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. During the Financial Year, instead of monthly updates, the management has provided to the Board quarterly updates containing consolidated financial statements with summaries of key events and outlook of the Group for the pertaining period for review and discussion in the regular Board meetings concerned. In addition, the management will provide to the Board with updates in a timely manner if there are material events affecting the performance, position and prospects of the Company. Accordingly, it is considered that the purpose of providing regular updates on the Company's performance, position and prospects can be achieved.

Auditor's Remuneration

During the Financial Year, the Company engaged ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited) ("ZSZH") as the external auditors. The fee in respect of annual audit services provided by ZSZH for the Financial Year amounted to approximately HK\$850,000 (2024: HK\$850,000). The fee in respect of non-audit services provided by ZSZH for the Financial Year was Nil (2024: Nil).

The reporting responsibilities of ZSZH are set out in the Independent Auditor's Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for establishing, maintaining and monitoring of the Group's systems of risk management and internal control, which should cover all material controls including financial, operational and compliance controls. The systems include a defined management structure with limits of authority, and are designed to help the Group identify and manage significant risks to achieve its business objectives, safeguard assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant legislation and regulation. Such systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate the risk of failure to achieve business objectives.

Pursuant to Code Provision D.2.5 of the CG Code, the Group should have an internal audit function. There is currently no internal audit function within the Group. Taking into account of its size, nature and complexity of its business operations, the Group considers that the current organisation structure and management could provide adequate risk management and internal control of the Group. The Heads of each core business segment monitor compliance with policies and procedures and the effectiveness of internal control systems in respect of their responsible business segments. The Company also engaged an independent external consulting firm (the "Consultant") to review and assess the effectiveness of the risk management and internal control systems of the Group during the Financial Year. Such review is conducted annually and cycles reviewed are under rotation basis. The assessment covers all material controls including financial, operational and compliance controls, as well as risk management functions during the Financial Year. The Consultant has reported its findings and areas for improvement in its assessment report. The Audit Committee has reviewed such report with the management. Save for the findings as set out therein, it was noted that there were no significant areas that caused the Consultant to believe that the internal control and risk management procedures of the Group are not properly designed and implemented in all material respects. The Group will follow up the recommendations to ensure that they will be implemented within a reasonable period of time. The Company also conducted a review on the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function for the year under review. Accordingly, the Board was satisfied that the prevailing risk management and internal control systems of the Group are effective and adequate.

The Group acknowledges the disclosure obligation under the Inside Information Provision of the Securities and Futures Ordinance and the GEM Listing Rules. The procedures and internal controls for the handling and dissemination of inside information are summarized as follows:

- the Group has formulated its inside information policy (the "Inside Information Policy") for the handling and dissemination of Inside Information with reference to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group follows a fair disclosure approach by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- Directors and employees are reminded from time to time to exercise due care when handling Inside Information, and kept informed of the latest regulatory updates in such regard in due course;
- the Group has strictly prohibited unauthorised use of confidential or Inside Information; and
- Inside Information should be announced immediately when it is the subject of a decision.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In compliance with Code Provision D.2.6 of the CG Code, the Company adopted a whistleblowing policy (the “Whistleblowing Policy”) on 11 November 2022 for employees of the Group and other stakeholders to raise concerns, in confidence, about possible improprieties in operation, financial reporting or other matters. The implementation and operation of the Whistleblowing Policy will be monitored by the Audit Committee.

In compliance with Code Provision D.2.7 of the CG Code, the Company adopted an anti-corruption policy (the “Anti-Corruption Policy”) on 11 November 2022 to ensure employees of the Group and those parties who are doing business with the Group are aware of the applicable anti-corruption laws, rules and regulations. The Company will review the Anti-Corruption Policy from time to time to ensure its effectiveness and consider any changes if required.

The Whistleblowing Policy and the Anti-Corruption Policy have been published on the Company’s corporate website (www.cs8112.com).

DELEGATION BY THE BOARD

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company’s affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Company’s articles of association as well as the Board’s policies and practices (in so far as the same are not in conflict with the provisions contained in the Articles of Association).

The Board has established six committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee, the Executive Committee and the Investment Committee. The majority of members of the Audit Committee, the Remuneration Committee and the Nomination Committee must be the Independent Non-executive Directors, so that the Independent Non-executive Directors will be able to effectively devote their time to perform the duties required by the respective Board committees that they are serving.

The Board has delegated the responsibility to the Corporate Governance Committee for performing the corporate governance duties as set out in Code Provision A.2.1 of the CG Code.

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the Executive Directors, in particular the Executive Committee which has been established to facilitate efficient operations and management of the Group; and the Investment Committee (overseen by the Executive Committee) to explore potential investment projects and to make recommendation to the Board for consideration. Clear guidance has been made as to the matters that should be reserved to the Board for its decision.

COMPANY SECRETARY

Ms. Chan Sau Chee (“Ms. Chan”) is the company secretary of the Company. She is an associate member of the Chartered Governance Institute and The Hong Kong Chartered Governance Institute. She reports to the Executive Directors and is responsible for advising the Board on corporate governance and other company secretarial matters. In compliance with Rule 5.15 of the GEM Listing Rules, Ms. Chan has taken not less than 15 hours of relevant professional training to update her skill and knowledge during the year ended 31 December 2025.

CONSTITUTIONAL DOCUMENTS

During the Financial Year, there were no changes in the constitutional documents of the Company.

SHAREHOLDERS’ RIGHTS

The way by which Shareholders can convene extraordinary general meeting(s) (“EGM”)/put forward proposal(s)

According to the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

And, if a Shareholder wishes to propose a person other than a Director retiring for election as a Director at an annual general meeting (“AGM”), the Shareholder should deposit a written notice of nomination at the head office of the Company or at the office of the Company’s Branch Share Registrar within a period of at least seven (7) days commencing from the day after the dispatch of the AGM notice and ending no later than seven (7) days prior to the date of the AGM. The relevant procedures will be set out in the circular containing, among others, the notice convening the 2026 Annual General Meeting of the Company.

The procedures for sending enquiries to the Board

Specific enquiries from Shareholders to the Board can be sent in writing to the Company at our head office in Hong Kong.

CORPORATE GOVERNANCE REPORT (CONTINUED)

COMMUNICATION WITH SHAREHOLDERS

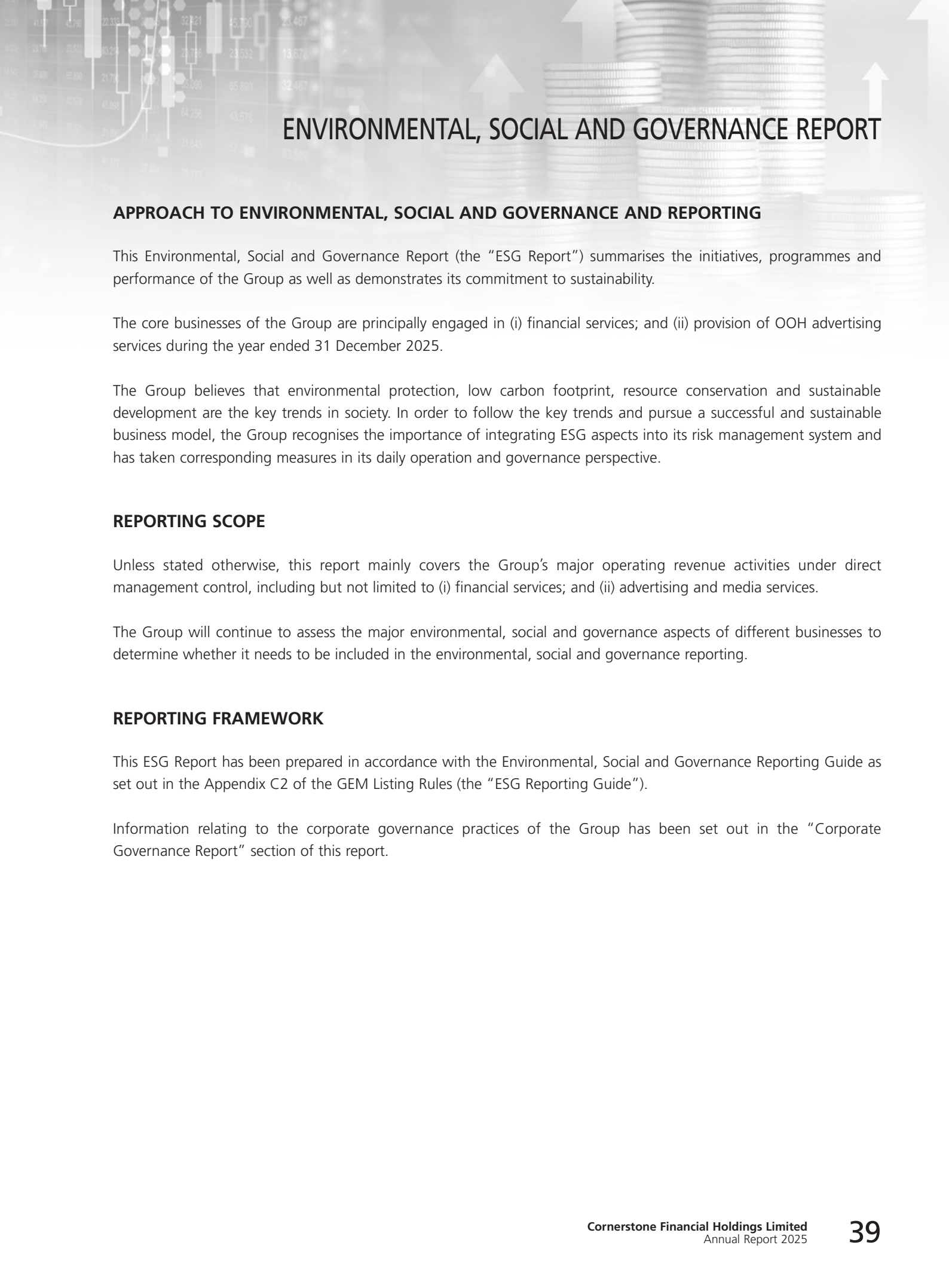
Save as mentioned under the section headed “The Procedures for Sending Enquiries to the Board” above, in order to provide more relevant information to our Shareholders, the Company has published all corporate information, news and events about the Group on its website for easy access by the Shareholders. Further, annual and extraordinary general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management.

The Company has assessed the above shareholders’ communication policy and channels and considered that they were effective during the year under review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting on the Group’s performance on environmental, social and governance is set out in the “Environment, Social and Governance Report” of this annual report.

Hong Kong, 31 March 2026



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE AND REPORTING

This Environmental, Social and Governance Report (the “ESG Report”) summarises the initiatives, programmes and performance of the Group as well as demonstrates its commitment to sustainability.

The core businesses of the Group are principally engaged in (i) financial services; and (ii) provision of OOH advertising services during the year ended 31 December 2025.

The Group believes that environmental protection, low carbon footprint, resource conservation and sustainable development are the key trends in society. In order to follow the key trends and pursue a successful and sustainable business model, the Group recognises the importance of integrating ESG aspects into its risk management system and has taken corresponding measures in its daily operation and governance perspective.

REPORTING SCOPE

Unless stated otherwise, this report mainly covers the Group’s major operating revenue activities under direct management control, including but not limited to (i) financial services; and (ii) advertising and media services.

The Group will continue to assess the major environmental, social and governance aspects of different businesses to determine whether it needs to be included in the environmental, social and governance reporting.

REPORTING FRAMEWORK

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in the Appendix C2 of the GEM Listing Rules (the “ESG Reporting Guide”).

Information relating to the corporate governance practices of the Group has been set out in the “Corporate Governance Report” section of this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

REPORTING PERIOD

The ESG Report specifics the environmental, social and governance activities, challenges and measures being taken during the year ended 31 December 2025.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their views relating to its businesses and environmental, social and governance issues. In order to understand and address stakeholders' concerns, the Group communicates with its key stakeholders, including but not limited to employees, investors, customers, suppliers, government bodies and communities through different channels such as conferences, electronic platforms and public events. In formulating operational strategies and environmental, social and governance measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community.

Materiality Assessment

The management and employees who are responsible for the key functions of the Group have participated in preparing this report, assisted the Group in reviewing its operation, identifying key environmental, social and governance issues and assessing the importance of these issues to our businesses and stakeholders. We compiled a questionnaire in reference to the identified material environmental, social and governance issues to collect the information from relevant departments and business units of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The following table summarises the Group's significant environmental, social and governance issues as set out in this report:

The ESG Reporting Guide	Material ESG aspects of the Group
A. Environment	
A1. Emissions	Emissions, Wastewater and Waste Management Greenhouse Gas Emission
A2. Use of Resources	Energy Consumption Water Consumption and use of Packaging materials
A3. The Environment and Natural Resources	Environmental Impact Management
A4. Climate Change	Climate-related Issues
B. Society	
B1. Employment	Employee Benefits and Equal Opportunities Policies
B2. Health and Safety	Occupational Health and Safety
B3. Development and Training	Staff Development and Training
B4. Labor Standards	Prevention of Child Labor or Forced Labor
B5. Supply Chain Management	Environmental and Social Risk Management of Supply Chain
B6. Product Responsibility	Quality and Safety of Products and Services Intellectual Property Management Social Moral Standards Data Protection and Privacy
B7. Anti-Corruption	Prevention of Corruption and Fraud
B8. Community Investment	Contributions to Society

During the year ended 31 December 2025, the Group confirmed that appropriate and effective management policies and internal control systems for environmental, social and governance issues are in place and confirmed the information disclosed in the ESG Report meets the ESG Reporting Guide.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Contact us

Comments and suggestions are welcome from our stakeholders. You may provide comments on ESG report or towards our performance in respect of sustainable development.

A. ENVIRONMENT

A1. Emissions

Policy

The businesses of the Group, which mainly involves (i) financial services; and (ii) advertising and media services, mainly rely on internet technology and related equipment and do not involve any manufacturing processes in the course of business. Therefore, during the year ended 31 December 2025 and 2024, the Group and its office did not generate significant emissions, water pollutants and hazardous wastes during the operation, except for greenhouse gas (“GHG”) emissions and non-hazardous waste.

Global warming and climate change have become major environmental issues to the world. The Group aims to minimize energy consumption and carbon emissions and has been exploring ways of adopting operational model which incurs less adverse impact on the environment. From the reporting of environmental perspective, we mainly focused on the environmental impact of the Group’s offices in Hong Kong and Singapore and relevant measures to be taken during the daily operation and have formulated policies and procedures relating to the environmental management to govern limited greenhouse gas emissions and non-hazardous waste generated from our operation.

Compliance with Relevant Laws that have Significant Impact

The Group has complied with relevant environmental laws and regulations in Hong Kong, including but not limited to Air Pollution Control Ordinance, Waste Disposal Ordinance, Water Pollution Control Ordinance, Environmental Impact Assessment Ordinance, Ozone Layer Protection Ordinance, and Product Eco-responsibility Ordinance. During the year ended 31 December 2025 and 2024, the Group was not aware of any material noncompliance with laws and regulations relating to the air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

Performance of the Group on pollution control has not given rise to any serious concern from the Group or government departments. No breach of statutory requirements or penalties have been recorded in the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Waste management

The Group adheres to waste management principle and strives to properly manage and dispose wastes produced by our business activities. Our waste management practice has been complied with relevant laws and regulations relating to environmental protection. The non-hazardous wastes generated by the Group's operations mainly consist of paper, toner cartridges and ink cartridges. The consumption volume generated by the Group is shown as below:

For the year ended 31 December 2025:

Non-hazardous waste category	Quantity	Unit	Intensity – Unit per employee
Paper	0.2	Tonnes	0.006
Toner cartridge	8.2	Pieces	0.210

For the year ended 31 December 2024:

Non-hazardous waste category	Quantity	Unit	Intensity – Unit per employee
Paper	0.2	Tonnes	0.004
Toner cartridge	7.7	Pieces	0.145

We regularly monitor the consumption volume of paper and toner cartridges and have implemented a number of reduction measures. The Group's office has also provided suitable facilities and encouraged our staff to sort and recycle the wastes to achieve the objectives in mitigating wastes, reusing and recycling in its operations. The Group maintains high standard in waste reduction, educates its employees the significance of sustainable development and provides relevant support in order to enhance their skills and knowledge in sustainable development.

Apart from recycling, the office has implemented various programs and activities to encourage employees to participate in waste reduction management, including:

- Promote green information and electronic communication, such as e-mail and electronic workflows, to implement "paperless system" concept;
- Place "Green Message" reminders on office equipment;
- Utilise used envelopes and double-side printing. Paper for single-side printing would be only adopted when handling official documents and confidential documents when necessary; and

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

- Recommend the use of recycled paper.

The Group does not produce any hazardous wastes in its business activities.

GHG emission

The consumption of electricity at the offices and petrol are the largest sources of greenhouse gas emissions of the Group. During the year ended 31 December 2025, the Group's total GHG emissions amounted to approximately 43.9 (2024: 46.1) tonnes and the total GHG emission per employee was 1.12 (2024: 0.87) tonne/employee. The detailed summary of the GHG emission is shown as below:

GHG Performance Summary

For the year ended 31 December 2025:

GHG Scope (in carbon dioxide equivalent)	Tonnes	Intensity – Tonnes per employee
Direct GHG emission (Scope 1) – petrol consumption	9.1	0.23
Indirect GHG emission (Scope 2) – electricity consumption	33.6	0.86
Other indirect GHG emission (Scope 3) – paper and water consumption	1.2	0.03
Total GHG emission	43.9	1.12

For the year ended 31 December 2024:

GHG Scope (in carbon dioxide equivalent)	Tonnes	Intensity – Tonnes per employee
Direct GHG emission (Scope 1) – petrol consumption	9.8	0.18
Indirect GHG emission (Scope 2) – electricity consumption	35.3	0.67
Other indirect GHG emission (Scope 3) – paper and water consumption	1.1	0.02
Total GHG emission	46.1	0.87

The Group has implemented a number of measures to mitigate energy consumption such as turning off the lighting and air-conditioning system at night or when leaving office, keeping the office temperature at 25°C in summer and using LED lights or energy-saving light in the office, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

At the project level, the Group considers the principle of environmental protection when launching each of its projects. For example, in the course of selecting suppliers, we assess whether the materials used by the suppliers in the activities are hazardous to the environment and whether they can effectively conserve energy and minimize carbon emissions. In addition to the above-mentioned measures, the Group issues environmental-related memorandum to its staff to raise their awareness of environmental preservation. Notices and posters relating to the environmental information have been placed in the offices to promote the best practice of the environmental management.

On top of complying with the general disclosure requirement of Aspect A1, we have complied with the KPI requirement, while the exception is summarized below:

"Comply or explain" Provisions		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Not applicable

A2. Use of Resources

Energy Consumption

Due to the business nature of the Group, the volume of energy consumption, electricity consumption and water consumption are considered as relatively low, in particular water consumption is very minimal. As mentioned in the Aspect A1 section, the Group has formulated policies and procedures relating to the environmental management, including energy management. Electricity consumption and petrol consumption account for a substantial part of the carbon emission for the Group.

The Group's consumption in petrol and electricity is shown as below:

For the year ended 31 December 2025:

Energy Type	Quantity	Unit	Intensity – Unit per employee
Petrol	3,552	litre	90.31
Electricity	48,179	kWh	1,235.36

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2024:

Energy Type	Quantity	Unit	Intensity – Unit per employee
Petrol	4,035	litre	76.13
Electricity	50,396	kWh	950.87

On top of the measures of mitigating the energy consumption mentioned in previous section, the Group strives to utilize telephone or video conference to minimize face-to-face meeting in order to reduce petrol consumption in traveling and unnecessary business trips. The Group encourages resources saving in daily office operation and proactively fosters a low-carbon corporate culture, which further increases our employees' awareness in energy conservation.

Water consumption and use of packaging materials

During the year ended 31 December 2025 and 2024, the Group does not consume significant water in its business activities and thus does not have significant issue in sourcing water. Regardless of limited water consumption, we still promote behavioral changes at office and encourage water conservation. Pantry and toilets are posted with environmental messages to remind employees for water conservation, which results in further enhancing our employees' awareness in water conservation.

In addition, due to the nature of business, the Group did not have physical products for sale and therefore did not involve any use of packaging materials for finish products. Therefore, this disclosure is not applicable to the Group.

On top of complying with the general disclosure requirement of Aspect A2, we have complied with the KPI requirement, while the exception is summarized below:

"Comply or explain" Provisions		
KPI A2.5	Total packaging material used for finished products.	Not applicable

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

A3. Environment and Natural Resources

Environmental impact management

The Group pursues the best practices in the environment protection and focuses on the impact of the Group's businesses to the environment and natural resources. In addition to complying with relevant environmental laws and regulations as well as properly preserve the natural environment, the Group has integrated the concept of environmental protection into its internal management and daily operations, with the aim of achieving environmental sustainability.

The Group strives to promote environmental protection and make effective use of resources. It carries out continuous monitoring if the business operations incur any potential impact to the environment, and minimises such impact to the environment through promoting green office and operating environment by adopting four basic principles which comprise of reduce, reuse, recycle and replacement. Where applicable, we adopt green purchasing strategies and the most practical technologies to protect our natural resources.

Noise Pollution

Noise pollution practices are implemented during our program production and event organisation activities, in order to minimise the noise pollution. Programs are produced in the studios with good soundproof facilities.

Outdoor lightings

During outdoor advertising production and event organisation, the lightings are adjusted to avoid disturbing neighborhood whenever possible.

Landscape and natural habitat

The Group strives to minimise any unnecessary interference to the natural landscape and animal habitat in the process of advertising production and event organisation, in order to maintain the natural beauty of the environment.

The Group regularly reviews its environmental protection policies and has adopted the necessary precautionary measures and actions to reduce significant impact on the environment and natural resources, and ensure that the Group complies with relevant laws and regulations.

During the year ended 31 December 2025 and 2024, the Group has not found any non-compliance with laws and regulations in respect of the environment and natural resources.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

A4. Climate Change

Climate Governance and Strategy

The Board of Directors oversees the Group's climate-related risks and opportunities as part of its overall ESG governance framework. Management is responsible for identifying and assessing climate-related issues that may affect the Group's operations and reporting such matters to the Board periodically.

Given the Group's business nature as a service-oriented enterprise primarily engaged in financial services and advertising and media services, the Group's direct environmental impact is relatively limited. Nevertheless, the Group recognises that climate change may create potential physical and transition risks that could affect its operations.

The Group continues to monitor climate-related developments, regulatory requirements and stakeholder expectations. Climate-related considerations are incorporated into the Group's risk management framework to ensure that potential impacts on operations, facilities and outdoor advertising infrastructure are properly assessed and managed.

The Group also monitors environmental performance indicators including greenhouse gas ("GHG") emissions. The Group's GHG emissions mainly consist of:

- Scope 1 emissions arising from petrol consumption; and
- Scope 2 emissions arising from electricity consumption in office premises and operational facilities.

The Group will continue to monitor its energy consumption and explore opportunities to improve energy efficiency and reduce carbon emissions where practicable.

Addressing climate change risks

The current major climate-related hazards affecting the Group mainly include typhoons and rainstorms especially in the summers. The Group recognizes that climate change has been affecting different dimensions of our stakeholders, business operations and our community. Principally, the Group aims to ensure smooth business operations even during such conditions and to mitigate the risks and impacts posed to the Group. The Group has been closely monitoring the impact of climate change to mitigate these potential risks as follows in this Reporting Period:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The Group is fully aware of the risks brought forth by climate change, especially the extreme weather conditions such as typhoons and rainstorms which may endanger the health and safety of employees. Therefore, we have developed comprehensive typhoon and rainstorm arrangements to safeguard the health and safety of our employees under extreme weather conditions. The work arrangements cover the arrangements in respect of reporting for duty, early release from work, the resumption of work, and the special arrangements in respect of essential staff in times of adverse weather. The Group also gives consideration as much as possible to the different situations faced by individual employees, such as their place of residence, the road and traffic conditions in the vicinity, and adopt a sympathetic and flexible approach with due regard to their actual difficulties and needs. For example, the Group adopts a staggered release schedule for employees, giving priority to those who live in remote places where public transport is not easily accessible. Meanwhile, the Human Resources Department will remind and keep employees updated on the latest weather condition through emails under extreme weather condition.

For the policy risks from climate-related hazards, the impact of the potential government policy risk is relatively low since the Group's carbon footprint is minimal.

For the legal risks from climate-related hazards, the Group was not aware of any climate change related litigations from third parties and any life or property loss caused by climate-related hazards in this Reporting Period.

B. SOCIETY

B1. Employment

Employee Benefits and Equal Opportunities Policies

Employees are regarded as the Group's largest and most valuable assets and the core of competitive advantage. They provide the driving force for continuous innovation to the Group.

During the year ended 31 December 2025 and 2024, the Group has fully complied with the statutory requirements in Hong Kong, including the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance, as well as the statutory requirements in Singapore, including Employment Act (Chapter 91) of Singapore, Central Provident Fund Act, Employment of Foreign manpower Act (Chapter 91A) of Singapore.

The Group is committed to maintaining a diverse workforce that includes age, gender, family status, sexual orientation, disability, ethnicity, religion and equal opportunities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The Group's staff handbook contains policies in regards to recruitment, promotion, discipline, working hours and leave. The human resources department has been responsible for ensuring all employees have fully understood the contents of the handbook.

The management regularly reviews the Group's remuneration and benefits policies in reference to the market standards and is committed to safeguarding the rights and interests of the staff. Remuneration and benefits have been adjusted on an annual basis in accordance with the employees' individual performance, contribution and market conditions.

Compliance with Relevant Laws that have Significant Impact

No employment laws and regulation in the areas in which the Group operates have significant direct impact on the Group. Nevertheless, the Group maintains a policy of strict compliance with all employment laws and regulations. The human resources department is responsible for this compliance through its recruitment process and ensures that all existing benefits, welfare and employment terms are in accordance with local laws and regulations.

During the year ended 31 December 2025 and 2024, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices.

At the year ended 31 December 2025, the Group has 39 employees (2024: 53) in which 38 employees (2024: 53) are full-time staffs and 1 employee (2024: Nil) is part-time staff. The Group considered that gender and geographical region are two material factors to analyses the diversity of the workforce.

By gender	2025		2024	
	Workforce	Turnover Rate	Workforce	Turnover Rate
Male	48.7%	17.4%	43.4%	8.0%
Female	51.3%	33.3%	56.6%	7.1%
By region				
China (including Hong Kong and Macau)	100%	47.1%	71.7%	17.1%
Singapore	0.0%	100%	26.4%	16.7%
Taiwan	0.0%	100%	1.9%	0.0%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

B2. Health and Safety

Occupational Health and Safety Policies

The Group has always placed emphasis on occupational safety and has set up an occupational health and safety management system to provide a safe working environment for office employees.

Compliance with Relevant Laws that have Significant Impact

During the year ended 31 December 2025 and 2024, the Group has complied with the legislative requirements in Hong Kong, including the Occupational Safety and Health Ordinance and Employees' Compensation Ordinance, as well as the legislative requirements in Singapore, including the Workplace Safety and Health Act and Work Injury Compensation Act.

During the year ended 31 December 2025 and 2024, the Group was not aware of any non-compliance with the health and safety laws and regulations, and the Group did not record any injury cases and loss of man days. Human resource department investigates and analyses every case and implements correspondence preventive measures if necessary.

B3. Development and Training

Staff Development and Training

Employees are regarded as the Group's largest and most valuable assets and an essential part of maintaining a competitive advantage. The Group provides its staff with training courses for upgrading skills and development as needed. On-job practical trainings are offered to employee to equip them with the relevant skill sets to enable them to provide quality and efficient services to customers.

The Group encourages and supports employees to participate in personal and professional training to fulfill the needs of emerging technologies and new equipment. The Group also encourages the culture of sharing of knowledge and experience.

The Group has made good use of its internal resources to organise various forms of training for its offices in Hong Kong and Singapore, including management, customer service and financial knowledge with the assistance of the Hong Kong Office of General Services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The Group encourages lifelong learning at all employee level with no age, gender and geographic restrictions as the contributions of its employees are of prime importance to its success. The Group organised various training programmes, including communication skills training, on-job practical training, experience sharing workshops, focus groups of occupational safety and health, round-table discussion of contingency planning, and group management of Code of Conduct. The programmes aim to equip the Group's employees with the right skills and attitude to reach their potential and to become more efficient and prepared to deliver the best quality services to customers and stakeholders.

B4. Labour Standards

Policy

The Group strictly prohibits employing any child labor or forced labor in its operations in Hong Kong and Singapore. The Group has established a well-defined recruitment process which examines the background of candidates and a formal reporting procedure for handling any exception. During the recruitment process, the age of the applicant is verified against the identity documents of the applicant. In addition, the Group conducts regular reviews and inspections to prevent any child labor or forced labor in operation.

In the meantime, the Group also avoids engaging vendors and contractors which are already known to be employing child labor or forced labor in their operations.

Compliance with Relevant Laws that have Significant Impact

The Group has complied with the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Employment Act and the Employment (Children and Young Persons) Regulations of Singapore.

During the year ended 31 December 2025 and 2024, the Group complied with all the laws and regulations relating to the prevention of child labor or forced labor. The Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices.

B5. Supply Chain Management

Environmental and Social Risk Management of Supply Chain

The Group has established and implemented the Supplier Management Policy. In order to strengthen the selection of suppliers, the Group welcomes qualified, competent and high-quality suppliers to join. The Group's procurement department has specially formulated this policy in order to standardise the supplier management and improve the operational standard.

In addition, due to the nature of principal business, the Group did not have physical raw materials for production or finished goods for sales to be purchased and therefore the environmental and social risk from supply chain management are limited. Regarding the procurement of office supplies and services, the Group's procurement department is responsible for organising the supplier evaluation work in two ways which include the ongoing evaluation and the annual assessment of vendors' background and news search. The evaluation results will serve as the basis of supplier management. Suppliers need to react quickly to the assessment result, taking effective measures to improve the services provided within prescribed period. The Group has the rights to terminate the cooperation with service providers who violate the rules or do not meet the targets.

In the selection of new suppliers, the Group would compare at least three different companies for material procurement, taking account of their operational and compliance records as well as their commitment level on top of cost consideration. Prior to conducting business with suppliers, we would obtain understanding on suppliers in various aspects including occupational health and safety, employee rights protection, environmental protection and corporate social responsibility. This ensures that our operations comply with appropriate standards or relevant regulations and that we have no child or forced labor issues. The assessment results will be used as a benchmark for the continuation or termination of cooperation in the future.

The Group maintains close liaison with its suppliers to monitor its performance to ensure that it is consistent with its service commitment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

B6. Product Responsibility

Policy

Quality and Safety of Products and Services

The Group pays high attention to the quality and safety of its services. The Group has established relevant quality and safety inspection policies for different projects, communicates with our customers and confirms their project expectation and direction prior launching any project, and actively coordinates projects with customers in the process of providing services.

During the reporting period, the Group had neither experienced any recovery product due to safety and health issue, nor received any complaint regarding our products and services.

Intellectual Property Management

The Group's day-to-day operations involve the use of the intellectual property owned by customers, suppliers or the Group itself. Therefore, the protection of intellectual property rights is an extremely important task for the Group. When the Group engages with its customers or suppliers, it will include the protection of intellectual property in the contractual terms. The Group will also review all the contracts in operation and ensure that the contractual terms protect both parties' intellectual property rights. The Group also requires technical professionals to sign strict confidentiality agreements. Confidential information of our customers is only accessible to employees who are responsible for the corresponding project.

During the year ended 31 December 2025 and 2024, the Group complies with relevant laws governing the confidentiality of data and intellectual property, including but not limited to Hong Kong Intellectual Property Law and Intellectual Property Law of Singapore.

Social Moral Standards

In order to ensure the compliance with the regulations, the Group regularly checks the content of its advertising program production activities. The Group is committed to providing positive messages for the community. Content such as violence, pornography, hatred, superstition, gambling, etc. is strictly forbidden.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Data Protection and Privacy

Data security threats continue to escalate in the digital era, making data privacy and security a material issue for both the Group and its customers. We remain vigilant to security breaches, monitor privacy and security risks to enhance our ability to mitigate them.

We implement appropriate electronic and managerial measures to safeguard personal and commercial data, including encrypting sensitive data, using firewalls and allowing only authorised employees to access data for permitted business functions. We strictly abide by the requirements of the Personal Data (Privacy) Ordinance of Hong Kong and all relevant regulations worldwide.

Compliance with Relevant Laws that have Significant Impact

The Group has complied with the major relevant laws and regulations including the Administrative Measures on Internet Publishing Services circulated by the State Administration of Press, Publication, Radio, Film and Television and the Ministry of Industry and Information Technology, the Measures for the Administration of Internet Information Services of the People's Republic of China promulgated by the State Council, and the Interim Provisions on Internet Culture Management promulgated by the Ministry of Culture and so on, and similar laws and regulations in Hong Kong and Singapore.

During the year ended 31 December 2025 and 2024, the Group was not aware of any non-compliance with relevant laws and regulations related to product responsibility.

B7. Anti-Corruption

Prevention of Corruption and Fraud

Preventive Measures, Enforcement and Monitoring

The Group has implemented the Prevention of Commercial Bribery Management Policy, strengthening its internal control mechanism, anti-corruption and anti-bribery work so as to achieve the business philosophy of "abiding by the law, integrity and quality service". For projects with higher monetary value, the Group makes an open bidding invitation to at least three suppliers. Different level of approval and authorisation is required according to the size of the tender agreement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Reporting Mechanism

The mechanism includes the establishment of an inspection team and the establishment of a channel for evaluation and reporting. It is strictly forbidden to use the business opportunities or powers to obtain personal interests or benefits. If there is a conflict of interest, it needs to be reported to the management of the Group on a timely basis. The Group also encourages employees and all persons with whom the Group does business, including customers and suppliers, to report the suspected wrongdoing within the Group voluntarily.

The Group has complied with major relevant laws and regulations including Prevention of Bribery Ordinance of Hong Kong and the Prevention of Corruption Act of Singapore.

The Group has also taken many measures to prevent any money laundering activities in the Group. At the time of account opening in its securities brokerage business, the Group will perform a name search in an anti-money laundering database system maintained and provided by a third party vendor, in order to screen each new client against current terrorist and sanction designations, and check whether the client is a Politically Exposed Person (PEP). New account applications lodged by terrorists or sanctioned entities would be rejected. Regular name checks of existing clients against the latest terrorist and sanction list issued by US Treasury Department, as recommended by the regulators, are also conducted. The Group performs regular reviews on transactions by high-risk clients, in order to identify suspicious transactions. In the event any suspicious transactions are noted, we will report them to the Joint Financial Intelligence Unit in due course.

Compliance with Relevant Laws that have Significant Impact

There is a mandatory disclosure of any conflict of interest. The Group encourages the highest standard of integrity in their employees and require compliance with the relevant national anti-bribery laws and regulations. Transactions involving large monetary sums are processed through banks which require authorized signatories as well as triggering due diligence. Internal control systems in the Group regarding money transactions are considered effective and adequate, with the report of the independent auditor offering no adverse comment on this aspect.

During the year ended 31 December 2025 and 2024, the Group was not aware of any non-compliance with relevant laws and regulations related to anti-corruption.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

B8. Community Investment

Contributions to Society

As a responsible company, the Group actively strives to become a positive force in the community and maintains close communication and interaction with the community to contribute to community development.

The Group enhances the quality of life of community through arts, culture and entertainment using on demand systems and activities. Following the development of culture, the community can gain a deeper understanding of history and culture and cultivate higher appreciation of the present and future cultural activities and to a greater level of enjoyment.

The Group will also actively encourage employees to contribute their time and skills to community volunteer works to benefit local communities by giving them opportunities to learn more about social and environmental issues and enhance the corporate value of the Group.

As a moral and responsible enterprise, the content of the advertising programmes and organized events are produced in accordance with the Group's policy of considering community interests and fully complied with the national regulations and rules, which further promotes positive news to the community and restricts any negative content, including as violence, pornography, hatred, superstition, gambling, to be broadcasted. The Group will consider from time to time to make donations to charities when the Group records after-tax profits and has sufficient funds.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report together with the audited consolidated financial statements of the Group for the Financial Year (the “Consolidated Financial Statements”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in Note 21 to the Consolidated Financial Statements.

SEGMENT INFORMATION

An analysis of the Group’s revenue and contribution to the loss from operations by principal activities and geographical area of operations for the year ended 31 December 2025 is set out in Note 6 to the Consolidated Financial Statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 and its future business development as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the “Management Discussion and Analysis” section of this annual report. Description of the principal risks and uncertainties facing the Group are set out in the section headed “Risk and Uncertainties” below.

The Board has not identified any important events affecting the Group that have occurred since the end of the Financial Year up to the date of this annual report.

In addition, discussion on the Group’s environmental policies and performance, key relationships with the Group’s key stakeholders as well as compliance with relevant laws and regulations which have a significant impact on the Company are set out in the “Environmental, Social and Governance Report” section of this annual report.

RISK AND UNCERTAINTIES

The followings are the principal risks and uncertainties identified by the Group which may affect the Group’s financial condition, operating results and business prospects. There may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

Economic risks

- A severe or prolonged downturn of the global economy.
- Fluctuations in foreign currency exchange rates, inflation and fluctuations of interest rates would adversely affect customers’ spending sentiment and the Group’s profit margin.

Operational risks

- Failure to compete in the competitive environment in which the Group operates;
- Unable to keep pace with the technological advances in timely and cost-efficient manner; and
- Failure to attract, train, retain, and motivate qualified managerial, sales, marketing, operating, and technical personnel, the loss of key personnel, or the inability to find additional qualified personnel.

Regulatory risks

- Failure to adhere to laws, regulations and rules, or to obtain or maintain all applicable permits and approvals;
- Infringement of valid patents, copyrights or other intellectual property rights held by third parties; and
- Any change in laws and regulations in different customers' and suppliers' countries.

Financial risks

- Details of financial risks are set out in Note 39 to the Consolidated Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Financial Year and the state of affairs of the Group as at 31 December 2025 are set out in the Consolidated Financial Statements on pages 74 to 79.

DIVIDEND POLICY

The Company adopted a dividend policy ("Dividend Policy") in March 2019, pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash, in the form of shares or by way of distribution of specific assets of any kind, upon the recommendation of the Board. Any distribution of dividends shall be in accordance with the Articles of Association and subject to the relevant laws of the Cayman Islands.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. When deciding whether to propose a dividend payout, the Board will take into account, among other things, the financial results, the earnings, the operations and liquidity requirements, the capital requirements, the current and future development plans of the Group, the debt ratio, the interests of the Shareholders, and general economic conditions.

REPORT OF THE DIRECTORS (CONTINUED)

The Dividend Policy will be reviewed from time to time by the Board and revisions may be made to ensure its effectiveness as and when necessary. The Company does not have any pre-determined dividend distribution ratio and there is no assurance that a dividend will be proposed or declared in any specific periods.

The Directors do not recommend the payment of final dividend for the Financial Year (2024: Nil).

FIVE YEARS FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out on page 3. This summary does not form part of the Consolidated Financial Statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the Financial Year are set out in Note 32 to the Consolidated Financial Statements.

RESERVES

Details of movements in reserves of the Group and the Company during the Financial Year are set out in the consolidated statement of changes in equity and in Note 41 to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, no distributable reserves of the Company available (2024 distributable reserves of the Company: approximately HK\$59,892,000), calculated in accordance with the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 33% of the total sales for the Financial Year and sales to the largest customer included therein amounted to approximately 9%. Purchases from the Group's five largest suppliers accounted for approximately 45% of the total purchases for the Financial Year and purchases from the largest supplier included therein amounted to approximately 28%.

To the best knowledge of the Directors, neither the Directors, their close associates, nor any Shareholders who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the Financial Year.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in Note 18 to the Consolidated Financial Statements.

BORROWING

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

DIRECTORS

The Directors who hold office during the Financial Year and up to the date of this report are:

Executive Directors:

Ms. FAN Yandi (*Chairperson*) (*appointed on 25 March 2025*)

Mr. AN Xilei (*Chairperson up to 25 March 2025*)

Mr. WONG Hong Gay Patrick Jonathan (*CEO*)

Mr. MOCK Wai Yin

Mr. LIU Shihao

Mr. AN Xishuai

Mr. SUN Lihua (*resigned on 25 March 2025*)

Independent Non-executive Directors:

Mr. CHAN Chi Keung Alan

Ms. LAU Mei Ying

Mr. WONG Man Hong

Ms. Fan Yandi (“Ms. Fan”) was appointed as an executive Director and the chairperson of the Board on 25 March 2025. She has obtained the legal advice before her appointment pursuant to Rule 5.02D of the GEM Listing Rules on 19 March 2025, and has confirmed her understanding of the obligations as a director of a listed issuer accordingly. Ms. Fan was re-elected at the 2025 annual general meeting pursuant to Article 83(3) of the Articles of Association.

In accordance with Article 84 of the Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. The Directors to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Accordingly, Mr. Mock Wai Yin, Mr. Liu Shihao and Ms. Lau Mei Ying shall retire by rotation at the forthcoming annual general meeting (“2026 Annual General Meeting”) and, all of them being eligible, will offer themselves for re-election.

REPORT OF THE DIRECTORS (CONTINUED)

The Company has received annual confirmation of independence from each of its existing Independent Non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all of them are considered to be independent.

No Director proposed for re-election at the 2026 Annual General Meeting has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

PERMITTED INDEMNITY PROVISIONS

The Company has put in place appropriate insurance cover in respect of Directors' liability.

DIRECTORS' SERVICE CONTRACTS

Each of the six Executive Directors, who are currently serving the Board, has entered into a service contract or letter of appointment with the Company as follows: Ms. Fan Yandi (appointed on 25 March 2025) has entered into a letter of appointment with the Company terminable by not less than one month's notice in writing served by either party to the other; Mr. An Xilei has entered into a service contract with the Company terminable by giving not less than three months' notice in writing served by either party on the other; Mr. Wong Hong Gay Patrick Jonathan has entered into a service contract with the Company for an initial fixed term of one year and shall continue thereafter until terminated by not less than six months' notice in writing served by either party on the other; Mr. Mock Wai Yin has entered into a letter of appointment with the Company terminable by not less than three months' notice in writing served by either party on the other; Mr. Liu Shihao has entered into a service contract with the Company terminable by giving not less than three months' notice in writing served by either party on the other; and Mr. An Xishuai has entered into a service contract with the Company terminable by giving not less than three months' notice in writing served by either party on the other. Each of the three Independent Non-executive Directors has entered into a service contract or letter of appointment with the Company as follows: Mr. Chan Chi Keung Alan has entered into a service contract with the Company for a term of one year renewable automatically for successive terms of one year until terminated by not less than one month's notice in writing served by either party on the other. Each of Ms. Lau Mei Ying and Mr. Wong Man Hong has entered into a letter of appointment with the Company terminable by not less than three months' notice in writing served by either party on the other.

The terms of office of all Directors are subject to retirement by rotation at least once every three years and are eligible for re-election at annual general meetings in accordance with the provisions of the Articles of Association.

No Director has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as aforesaid, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the year or at any time during the year.

UPDATE OF DIRECTORS' INFORMATION

Changes in information of Directors pursuant to Rule 17.50A(1) of the GEM Listing Rules during the Financial Year and up to the date of this report were as below:

Mr. Chan Chi Keung Alan, an independent non-executive Director, was appointed as an independent non-executive director, the chairman of the nomination committee, a member of each of the audit committee and remuneration committee of Raffles Interior Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1376) with effect from 9 January 2026.

During the Financial Year, certain Directors have agreed to waive their remuneration. Please refer to Note 15 to the Consolidated Financial Statements for details of emoluments of Directors for the Financial Year.

DIRECTORS' BIOGRAPHY

The biographical details of the Directors are disclosed in the section headed "Directors' Profile" of this annual report. The Executive Directors are regarded as members of the Group's senior management.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration committee of the Company is responsible for making recommendations to the Board on the Company's emolument policy as and when necessary. Directors' emoluments are determined by the Board with reference to factors including director's duties and responsibilities, the Company's remuneration policy and the prevailing market rate.

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in Notes 14 and 15 to the Consolidated Financial Statements respectively.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

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

REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT CONTRACTS

As at 31 December 2025, the Company did not enter into or have any management and administrative contracts in respect of the whole or any principal business of the Company.

CONNECTED TRANSACTIONS

During the Financial Year, the Company had not entered into any connected transaction (including continuing connected transaction) which is subject to the disclosure requirements under the GEM Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group during the Financial Year are disclosed in Note 35 to the Consolidated Financial Statements. Such transactions are exempt from the reporting requirement in accordance with Chapter 20 of the GEM Listing Rules in respect of connected transactions or continuing connected transactions.

SHARE OPTION SCHEMES

Since the expiration of the then share option schemes of the Company in March 2021, the Company has not adopted any new share option scheme. Further, all outstanding and unexercised options granted under the expired share option schemes lapsed and were cancelled in 2021 in accordance with the terms and conditions of the respective schemes. Accordingly, the Company had neither any share option scheme nor any outstanding share options as at 31 December 2025 up to the date of this report. At no time during the Financial Year was any of the Company and its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

The Company will review from time to time the remuneration and reward system with reference to market norms and determine the need to adopt new share option scheme(s) under Chapter 23 of the GEM Listing Rules in the future.

REPORT OF THE DIRECTORS (CONTINUED)

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

As at 31 December 2025, the interests of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Long Positions in the Ordinary Shares of HK\$0.01 each in the Company (the "Shares"), Underlying Shares and Debentures of the Company

Name of Director	Nature of interests	Number of Shares held	Number of underlying Shares held	Total	Approximate % of shareholding in the Company (Note)
Mr. An Xilei	Beneficial owner	6,800,000	–	6,800,000	2.96%

Note: For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 229,418,448 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025 and up to the date of this report, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed below, as at 31 December 2025 and up to the date of this report, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other persons or companies (other than a Director or a chief executive of the Company) had interests of 5% or more in the shares or underlying shares and/or short positions in the shares or underlying shares of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

Long Positions in the Shares

Name of Shareholders	Nature of interests	Number of Shares held	Approximate % of shareholding in the Company (Note 2)
Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP (Note 1)	Beneficial owner	52,896,000	23.06%
Masan Capital Limited (Note 1)	Investment Manager	52,896,000	23.06%
Top Lion International Limited (Note 1)	Interest of controlled corporation	52,896,000	23.06%

Notes:

1. These Shares are directly held by Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP which is wholly owned by Masan Capital Limited which is in turn wholly owned by Top Lion International Limited.
2. For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 229,418,448 Shares in issue as at 31 December 2025.

Save as disclosed above, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.



REPORT OF THE DIRECTORS (CONTINUED)

COMPETITION AND CONFLICT OF INTERESTS

During the year, none of the Directors, the management or substantial shareholders of the Company or any of their respective close associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group, as defined in the GEM Listing Rules.

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

During the Financial Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares (including sale of treasury shares). As at 31 December 2025, there were no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules during the Financial Year up to the date of this report.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained in this annual report.

REPORT OF THE DIRECTORS (CONTINUED)

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from 7 May 2026 (Thursday) to 12 May 2026 (Tuesday), both dates inclusive, during which period no transfer of shares in the Company shall be registered. In order to qualify for attending the forthcoming annual general meeting of the Company, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 6 May 2026 (Wednesday).

AUDITOR

The Company's financial statements for the year ended 31 December 2025 were audited by ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited). A resolution for re-appointment of ZSZH (HK) Fuson CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

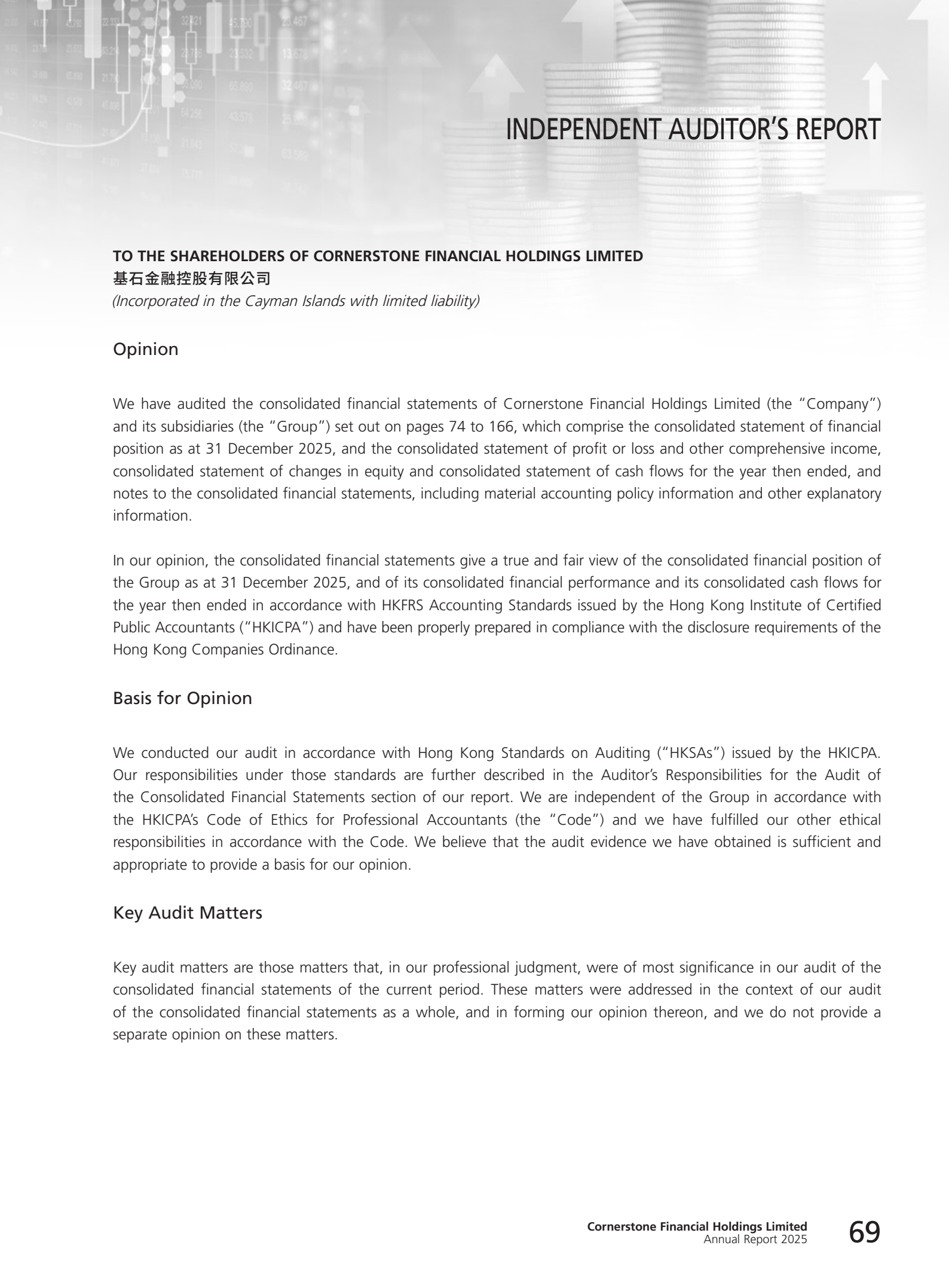
There has been no change in the Company's auditors in the preceding 3 years.

By order of the Board

Cornerstone Financial Holdings Limited

Liu Shihao
Executive Director

Hong Kong, 31 March 2026



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CORNERSTONE FINANCIAL HOLDINGS LIMITED

基石金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Cornerstone Financial Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 74 to 166, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How the matter was addressed in our audit
<p data-bbox="134 478 742 513">Impairment assessment of margin loan receivables</p> <p data-bbox="134 556 742 735">As disclosed in note 22 to the consolidated financial statements, as at 31 December 2025, the Group had margin loan receivables, net of allowance of HK\$39,600,558 that are mainly related to the Group's financial services activities.</p> <p data-bbox="134 778 742 1037">The impairment assessment is dependent upon management's significant judgements and high level of estimation uncertainty, which includes making key assumptions and selecting inputs, including probabilities of default rates, expected recovery rates from loss given default, forward-looking information and macroeconomic environment.</p> <p data-bbox="134 1080 742 1295">We have identified the determination of impairment assessment of margin loan receivables as a key audit matter because of their significant to the consolidated financial statements as a whole and the involvement of a significant degree of management judgement and estimation and may be subject to management bias.</p>	<p data-bbox="778 556 1386 664">Our procedures in relation to the impairment assessment of margin loan receivables included, among others, the following:</p> <ul data-bbox="778 707 1386 1328" style="list-style-type: none"><li data-bbox="778 707 1386 814">• To enquiry the management in understanding the approach applied on ECL model of margin loan receivables.<li data-bbox="778 858 1386 1144">• To reviewing the judgement and estimates used by the management in the impairment assessment process and challenging the reasonableness of the key assumptions and inputs apply on the ECL model, including probability of default rates, expected recovery rates from loss given default, forward-looking information and macroeconomic environment.<li data-bbox="778 1187 1386 1328">• To performing recalculation based on the above key assumptions and input data to ensure the accuracy of the ECL amount of margin loan receivables.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Information

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

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

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

Responsibilities of Directors of the Company and Audit Committee for the Consolidated Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Fok Tat Choi.

ZSZH (HK) Fuson CPA Limited

Certified Public Accountants

Fok Tat Choi

Practising Certificate Number P06895

Hong Kong, 31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 HK\$	2024 HK\$
Revenue	7	48,092,408	53,982,860
Cost of services		(25,609,452)	(19,566,759)
Gross profit		22,482,956	34,416,101
Other income	8	8,942,782	2,989,703
Other gains and losses, net	9	9,484,118	24,601,372
Gain on disposal of subsidiaries	35	7,085,415	–
Impairment losses recognised, net	10	(6,719,048)	(7,220,726)
Administrative expenses		(55,968,496)	(74,227,829)
Finance costs	11	(1,532,685)	(984,658)
Loss before tax		(16,224,958)	(20,426,037)
Income tax expenses	12	(1,682,303)	(1,439,850)
Loss for the year	13	(17,907,261)	(21,865,887)
Other comprehensive expense for the year:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating of foreign operations		(210,456)	(112,048)
Release of exchange reserve upon disposal of subsidiaries	35	(62,486)	–
Other comprehensive expense for the year, net of tax		(272,942)	(112,048)
Total comprehensive expenses for the year		(18,180,203)	(21,977,935)
Loss for the year attributable to:			
– Owners of the Company		(18,659,755)	(20,940,799)
– Non-controlling interests		752,494	(925,088)
		(17,907,261)	(21,865,887)
Total comprehensive expenses for the year attributable to:			
– Owners of the Company		(18,880,745)	(21,133,562)
– Non-controlling interests		700,542	(844,373)
		(18,180,203)	(21,977,935)
Loss per share			
Basic and diluted (HK cents)	17	(8.13)	(9.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	Notes	2025 HK\$	2024 HK\$
Non-current assets			
Property, plant and equipment	18	88,954	328,620
Right-of-use assets	19(a)	286,205	2,740,349
Deposits, prepayments and other receivables	23	1,184,515	1,003,161
Goodwill	20	–	–
		1,559,674	4,072,130
Current assets			
Margin loan receivables	22	39,600,558	62,971,702
Trade and other receivables	23	12,036,212	24,026,586
Equity investments at fair value through profit or loss	24	42,450,788	32,966,670
Cash held on behalf of brokerage clients	25	25,546,556	1,999,316
Cash and cash equivalents	26	52,896,664	51,553,020
		172,530,778	173,517,294
Current liabilities			
Trade and other payables	27	25,468,793	42,285,968
Accounts payable to brokerage clients	28	25,546,556	1,999,316
Lease liabilities	19(b)	7,520,092	2,530,953
Contract liabilities	29	1,104,002	1,690,753
Income tax payable		446,411	358,733
		60,085,854	48,865,723
Net current assets		112,444,924	124,651,571
Total assets less current liabilities		114,004,598	128,723,701

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 DECEMBER 2025

	Notes	2025 HK\$	2024 HK\$
Non-current liabilities			
Lease liabilities	19(b)	1,227,297	443,008
		1,227,297	443,008
NET ASSETS		112,777,301	128,280,693
Capital and reserves			
Share capital	31	2,294,184	2,294,184
Reserves		91,232,557	110,113,302
Shareholders' equity		93,526,741	112,407,486
Non-controlling interests	32	19,250,560	15,873,207
TOTAL EQUITY		112,777,301	128,280,693

The consolidated financial statements on pages 74 to 79 were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by:

Liu Shihao
Director

An Xishuai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company						Non-controlling interests (Note 32) HK\$	Total equity HK\$
	Share capital HK\$	Share premium* HK\$	Capital reserve* HK\$	Exchange reserve* HK\$	Accumulated losses* HK\$	Sub-total HK\$		
As at 1 January 2024	2,294,184	612,827,938	(176,467,450)	(1,124,343)	(303,989,281)	133,541,048	16,717,580	150,258,628
Loss for the year	-	-	-	-	(20,940,799)	(20,940,799)	(925,088)	(21,865,887)
Other comprehensive (expenses) income for the year:								
Exchange differences arising on translating of foreign operations	-	-	-	(192,763)	-	(192,763)	80,715	(112,048)
Total comprehensive income (expenses) for the year	-	-	-	(192,763)	(20,940,799)	(21,133,562)	(844,373)	(21,977,935)
As at 31 December 2024 and 1 January 2025	2,294,184	612,827,938	(176,467,450)	(1,317,106)	(324,930,080)	112,407,486	15,873,207	128,280,693
(Loss) profit for the year	-	-	-	-	(18,659,755)	(18,659,755)	752,494	(17,907,261)
Other comprehensive (expenses) income for the year:								
Exchange differences arising on translating of foreign operations	-	-	-	(49,841)	-	(49,841)	(160,615)	(210,456)
Release of exchange reserve upon disposal of subsidiaries (Note 35)	-	-	-	(171,149)	-	(171,149)	108,663	(62,486)
Total comprehensive income (expenses) for the year	-	-	-	(220,990)	(18,659,755)	(18,880,745)	700,542	(18,180,203)
Disposal of subsidiaries (Note 35)	-	-	-	-	-	-	2,676,811	2,676,811
As at 31 December 2025	2,294,184	612,827,938	(176,467,450)	(1,538,096)	(343,589,835)	93,526,741	19,250,560	112,777,301

* These amounts comprise the consolidated reserves of HK\$91,232,557 (2024: HK\$110,113,302) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 HK\$	2024 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(16,224,958)	(20,426,037)
Adjustments for:		
Interest income	(374,326)	(710,617)
Finance costs	1,532,685	984,658
Depreciation of property, plant and equipment	189,210	437,505
Depreciation of right-of-use assets	10,693,921	7,470,722
Gain on termination of lease contracts	–	(3,289,377)
Gain on disposal subsidiaries	(7,085,415)	–
Sundry income	(56,224)	(106,404)
Fair value gain of equity investments at fair value through profit or loss, net	(9,484,118)	(21,311,995)
Waiver of loan from directors	(8,204,760)	–
Impairment loss on property, plant and equipments and right-of-use assets	8,434,404	–
(Reversal of impairment loss) Impairment loss recognised of margin loan receivables	(2,118,015)	7,446,248
(Reversal of impairment loss) Impairment loss recognised of trade receivables, net	(328,851)	(749,979)
Impairment loss recognised of other receivables	731,510	524,457
Operating cash flows before working capital changes	(22,294,937)	(29,730,819)
Decrease/(increase) in trade and other receivables	2,851,912	(1,517,832)
Decrease/(increase) in margin loan receivables	25,489,159	(4,089,641)
(Increase)/decrease in cash held on behalf of brokerage clients	(23,547,240)	8,481,849
Increase in trade and other payables	2,497,325	147,209
Increase/(decrease) in accounts payable to brokerage clients	23,547,240	(8,481,849)
Decrease in contract liabilities	(312,018)	(1,441,889)
Cash used in operations	8,231,441	(36,632,972)
Income tax paid	(1,597,643)	(1,173,621)
Net cash generated from (used in) operating activities	6,633,798	(37,806,593)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(97,496)	(151,868)
Proceed of sales of financial assets at fair value through profit or loss	–	6,600,000
Net proceeds from disposal of subsidiaries of discontinued operation, net of cash and bank balances disposed of	1,531,616	–
Decrease of pledged deposits	–	367,343
Interest received	374,326	627,687
Net cash generated from investing activities	1,808,446	7,443,162

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 HK\$	2024 HK\$
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(8,326,658)	(6,718,277)
Advance from a director of a subsidiary of the Company	1,007,068	8,204,761
Net cash (used in) generated from financing activities	(7,319,590)	1,486,484
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,122,654	(28,876,947)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	51,553,020	80,542,016
Effect of foreign exchange rate changes, net	220,990	(112,049)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	52,896,664	51,553,020
ANALYSIS OF CASH AND CASH EQUIVALENTS, represented by:		
Cash and cash equivalents as stated in the consolidated statement of cash flows	52,896,664	51,553,020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

Cornerstone Financial Holdings Limited (the “Company”) was incorporated in the Cayman Islands with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) is mainly engaged in (i) provision of financial services, mainly include securities dealings and brokerage services and margin financing services; (ii) provision of advertising and media services, including film development, production and distribution; and (iii) retail of skin care products.

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

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES

New and amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

Amendments to HKAS 21

The effects of changes in foreign exchange rates:
Lack of exchangeability

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

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

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

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective
(Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (Continued)

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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

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.

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

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

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

Business combinations or asset acquisitions

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 Leases) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Goodwill

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

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

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

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

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

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

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

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

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

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

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

Contract assets and contract liabilities

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Further information about the Group’s accounting policies relating to revenue from contracts with customers is provided in note 7 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components 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.

Short-term leases and leases of low-value assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

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 *Financial instruments* 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

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 included:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessor so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

Lease liabilities (Continued)

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 or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

Lease modifications

Except for Covid-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies

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

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

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

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Employee benefits

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Pursuant to the relevant local regulations in Singapore, the Singapore subsidiaries of the Group are required to contribute to the Central Provident Fund based on the statutory funding requirement. The Group's contributions to the defined contribution plan are charged to profit or loss in the year incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been paid.

Short-term and 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.

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments 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.

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 by the same taxable entity by the same taxation authority.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

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

An item of property, 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.

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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

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 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 the 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 the 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 the cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade 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 (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

A financial asset is held for trading if:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Amortised cost and interest income

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

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

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

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets including margin loan receivables, trade receivables and other receivables 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 conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group always recognises lifetime ECL for margin loan receivables and trade receivables without significant financing component.

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;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

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

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 fulfil its contractual cash flow obligations.

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

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- 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).

Also, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

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

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

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement of and recognition of ECL

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

For financial assets, 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.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECL. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment that is available without undue cost or effort.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

General approach

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECL except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECL
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECL
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

General approach (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and accounts payable to brokerage clients are subsequently measured at amortised cost, using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

General approach (Continued)

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.

Cash and cash equivalents

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

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

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

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

When share options granted are vested, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Related parties

A party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the group if that person:
 - (1) has control or joint control over the group;
 - (2) has significant influence over the group;
 - (3) is a member of the key management personnel of the group or the group's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Related parties (Continued)

(ii) An entity is related to the group if any of the following conditions applies:

- (1) 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).
- (2) 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).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.
- (6) The entity is controlled or jointly controlled by a person identified in (i) above.
- (7) A person identified in (i)(1) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (8) 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 and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 and disclosures made in the consolidated financial statements.

Determination on the lease term of contracts with renewal options

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal option. The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

When assessing reasonable certainty, the Group considers all relevant facts and circumstances including economic incentives/penalties for exercising or not exercising the options. Factors considered include:

- contractual terms and conditions for the optional periods compared with market rates (e.g. whether the amount of payments in the optional periods is below the market rates);
- the extent of leasehold improvements undertaken by Group;
- costs relating to termination of the lease (e.g. relocation costs, costs of identifying another underlying asset suitable for the 'Group's needs');

As at 31 December 2025 and 31 December 2024, details of the new leases entered into by the Group are set out in note 19(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainties in the current financial market conditions.

As at 31 December 2025 and 31 December 2024, details of the carrying amount and the recoverable amount calculation of the goodwill are disclosed in note 20.

Provision of ECL for trade receivables

The Group uses a provision of matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various debtors that have similar loss patterns. The provision matrix is based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history, and their financial position and an assessment of both the current and foreign general economic conditions and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in circumstances and of forecast general economic conditions and the selection of forward-looking macroeconomic scenarios. If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

As at 31 December 2025 and 31 December 2024, the information about the ECL and the Group's trade receivables are disclosed in notes 23 and 37(b), respectively to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment assessment of margin loan receivables

The Group calculates the ECL of receivables from margin clients based on the assessments considering the probability of default, expected recovery rates from loss given default, forward-looking information and macroeconomic environment as well as the fair value of the collateral pledged by the customers to the margin loan receivables. Further details are set out in note 22 to the consolidated financial statements.

As at 31 December 2025 and 31 December 2024, the information about the ECL and the Group's margin loan receivables are disclosed in notes 22 and 37(b), respectively to the consolidated financial statements.

Impairment assessments of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate.

When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2025 and 31 December 2024, the carrying amounts of property, plant and equipment and right-of-use assets are set out in notes 18 and 19(a), respectively.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Leases – Estimating the incremental borrowing rate (Continued)

The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

As at 31 December 2025 and 31 December 2024, details of the new leases entered into by the Group are set out in note 19(b).

6. OPERATING SEGMENTS

The CODM has been identified collectively as the executive directors of the Company. The executive directors review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports. The accounting policies are the same as the Group’s accounting policies described in note 4.

Management regularly reviews the operating results from a perspective of different activities and assesses the performance of each operating segment.

For management purposes, during the years ended 31 December 2025 and 31 December 2024, the Group had the following operating segments:

- Advertising and media
- Financial services, mainly include securities dealings and brokerage business and margin financing business
- Retail of skin care products

During the year ended 31 December 2019, the Company ceased its retail of skin care products business which remains inactive subsequently and thus retail of skin care products segment contributed insignificant revenue and results for the years ended 31 December 2025 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING SEGMENTS (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable segments:

	Advertising and media HK\$	Financial services HK\$	Retail of skin care products HK\$	Unallocated HK\$	Total HK\$
For the year ended 31 December 2025					
Segment revenue	40,695,687	7,396,721	-	-	48,092,408
Segment results	(20,911,661)	(143,357)	(30,310)	-	(21,085,328)
Corporate and unallocated income					25,512,315
Corporate and unallocated expenses					(20,651,945)
Loss before tax					(16,224,958)
Segment assets	13,206,277	117,055,036	19,272	-	130,280,585
Corporate and other unallocated assets					43,809,867
Total consolidated assets					174,090,452
Segment liabilities	(31,965,856)	(26,861,889)	(114)	-	(58,827,859)
Corporate and other unallocated liabilities					(2,485,292)
Total consolidated liabilities					(61,313,151)
Other segment information					
Reversal of impairment loss (impairment loss) of trade receivables, net	330,621	(1,770)	-	-	328,851
Impairment loss of other receivables	(6,283)	(482,200)	-	(243,027)	(731,510)
Reversal of impairment loss of margin loan receivables	-	2,118,015	-	-	2,118,015
Impairment loss of property, plant and equipment and right of use assets	(8,434,404)	-	-	-	(8,434,404)
Gain on disposal of subsidiaries	4,473,692	-	-	2,611,723	7,085,415
Waiver of loan from directors	-	-	-	(8,204,760)	(8,204,760)
Fair value gain on equity investment at fair value through profit or loss	-	-	-	9,484,118	9,484,118
Depreciation of property, plant and equipment	(167,268)	(21,942)	-	-	(189,210)
Depreciation of right-of-use assets	(10,379,463)	(265,831)	-	(48,627)	(10,693,921)
Capital expenditure	(5,188)	(92,308)	-	-	(97,496)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING SEGMENTS (Continued)

Segment revenue and results (Continued)

	Advertising and media HK\$	Financial services HK\$	Retail of skin care products HK\$	Unallocated HK\$	Total HK\$
For the year ended 31 December 2024					
Segment revenue	46,124,149	7,858,711	–	–	53,982,860
Segment results	(4,633,202)	(10,979,248)	(28,464)	–	(15,640,914)
Corporate and unallocated income					27,591,075
Corporate and unallocated expenses					(32,376,198)
Loss before tax					(20,426,037)
Segment assets	22,827,458	113,908,114	25,811	–	136,761,383
Corporate and other unallocated assets					40,828,041
Total consolidated assets					177,589,424
Segment liabilities	(25,111,463)	(3,805,949)	(107)	–	(28,917,519)
Corporate and other unallocated liabilities					(20,391,212)
Total consolidated liabilities					(49,308,731)
Other segment information					
Reversal of impairment loss (impairment loss) of trade receivables, net	751,683	(1,704)	–	–	749,979
Impairment loss of other receivables	(8,877)	–	–	(515,580)	(524,457)
Impairment loss of margin loan receivables	–	(7,446,248)	–	–	(7,446,248)
Gain on termination of lease contract	3,289,377	–	–	–	3,289,377
Fair value gain on equity investments at fair value through profit or loss	–	–	–	21,311,995	21,311,995
Depreciation of property, plant and equipment	(422,719)	(14,786)	–	–	(437,505)
Depreciation of right-of-use assets	(4,243,615)	(827,936)	–	(2,399,171)	(7,470,722)
Capital expenditure	(151,868)	–	–	–	(151,868)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING SEGMENTS (Continued)

Segment revenue and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies as set out in note 4.

The segment results are measured at Group's loss before tax except that other income, other gains and losses, as well as head office and corporate expense. Corporate and unallocated income mainly include government grants and other corporate income. Corporate and unallocated expenses mainly include staff salaries of headquarter and legal and professional fees and other corporate expenses.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The Group did not have any significant inter-segment sales during the years ended 31 December 2025 and 31 December 2024.

Geographical information

The following table sets forth the Group's revenue from customers by geographical location of customers:

	2025 HK\$	2024 HK\$
Hong Kong	31,740,420	30,735,352
Singapore	16,351,988	23,247,508
	48,092,408	53,982,860

The information about its non-current assets by location of assets are detailed below:

	2025 HK\$	2024 HK\$
Hong Kong	375,159	1,569,471
Singapore	–	1,499,498
	375,159	3,068,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

6. OPERATING SEGMENTS (Continued)

Information about major customers

Revenue from major customers, where each of them accounted for 10% or more of the Group's revenue which are mainly attributable to advertising and media business, are set out below:

	2025 HK\$	2024 HK\$
Advertising and media business: Customer A	–	6,206,443

During the year ended 31 December 2025, none of the Group's customers accounted for more than 10% of the Group's total revenue.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

(i) *The Group derives revenue from the transfer of goods and services by categorise of major product lines and business*

	Advertising and media		Financial services		Total	
	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$
Revenue from contracts with customers within the scope of HKFRS 15						
<i>Advertising and media services</i>						
– Direct sales channel	11,414,857	15,490,777	–	–	11,414,857	15,490,777
– Agency sales channel	29,280,830	30,633,372	–	–	29,280,830	30,633,372
<i>Financial services</i>						
– Commission and fee income on securities dealing and broking	–	–	541,315	262,343	541,315	262,343
	40,695,687	46,124,149	541,315	262,343	41,237,002	46,386,492
Revenue from other sources						
– Interest income from margin financing	–	–	6,855,406	7,596,368	6,855,406	7,596,368
	40,695,687	46,124,149	7,396,721	7,858,711	48,092,408	53,982,860

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

(ii) The Group derives revenue from the transfer of goods and services by timing of revenue recognition

	Advertising and media		Financial services		Total	
	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$
Timing of revenue recognition						
At a point of time	–	–	541,315	262,343	541,315	262,343
Over time	40,695,687	46,124,149	–	–	40,695,687	46,124,149
	40,695,687	46,124,149	541,315	262,343	41,237,002	46,386,492

(iii) The Group derives revenue from the transfer of goods and services by geographical markets

	Advertising and media		Financial services		Total	
	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$	2025 HK\$	2024 HK\$
Geographical markets						
– Hong Kong	24,343,699	22,876,641	541,315	262,343	24,885,014	23,138,984
– Singapore	16,351,988	23,247,508	–	–	16,351,988	23,247,508
	40,695,687	46,124,149	541,315	262,343	41,237,002	46,386,492

(b) Contract balances

	Notes	As at 31 December		As at
		2025 HK\$	2024 HK\$	1 January 2024 HK\$
Trade receivables	23	8,998,630	14,546,775	12,575,071
Less: Allowance for credit losses		(425,160)	(739,606)	(2,107,512)
		8,573,470	13,807,169	10,467,559
Margin loan receivables	22	63,523,702	89,012,861	89,854,189
Less: Allowance for credit losses		(23,923,144)	(26,041,159)	(23,525,880)
		39,600,558	62,971,702	66,328,309
Contract liabilities	29	1,104,002	1,690,753	3,180,008

Details of the Group's trade receivables, margin loan receivables and contract liabilities are set out in respective notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

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

The Group was mainly engaged in the provision of advertising and media services, provision of securities dealings and brokerage services and margin financing services and sale of skin care products.

The Group recognises revenue when the control of any goods and services have been transferred, and the Group's performance obligations for contracts with customers and revenue recognition policies and other income recognition are as follows:

Revenue from contracts with customers within the scope of HKFRS 15

(i) Provision of advertising and media services

Revenue from provision of advertising and media services are recognised over the scheduled period on a straight-line basis over the broadcast period and payment generally due within 30 days.

(ii) Provision of securities dealings, brokerage and related services and margin financing services

Brokerage commission income is recognised at the point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed and payment is generally due two days after trade date.

Fee income is recognised when the transaction is executed and service is completed, except for custodian service fee which is recognised over time.

Revenue for placing and underwriting is recognised when the relevant placing or underwriting activities are completed. Accordingly, the revenue is recognised at a point in time.

(iii) Sale of skin care products

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

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

Revenue from other sources

Interest income from margin financing

Interest income from margin financing is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Other income

- (i) Bank and other interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
- (ii) Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Further information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 4 to the consolidated financial statements.

(d) Translation price allocated to remaining performance obligation

The Group has applied practical expedient in paragraph 121 of HKFRS 15 Revenue from Contracts with Customers, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date due to the majority of the Company's revenue contracts are short-term contracts and have a duration of less than one year, the practical expedient for contracts with durations of one year or less is applied and therefore the effect of the time value of money is not considered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

8. OTHER INCOME

	2025 HK\$	2024 HK\$
Bank interest income	374,326	710,617
Compensation from legal case	–	653,966
Unconditional government grants	97,979	89,341
Other interest income	20	79
Other services fee income	24,681	679,141
Forfeiture of customer deposit	–	484,214
Waiver of loan from directors	8,204,760	–
Sundry income	241,016	372,345
	8,942,782	2,989,703

9. OTHER GAINS AND LOSSES, NET

	2025 HK\$	2024 HK\$
Gain on termination of lease contracts	–	3,289,377
Fair value gain on equity investment at fair value through profit or loss	9,484,118	21,311,995
	9,484,118	24,601,372

10. IMPAIRMENT LOSSES RECOGNISED, NET

	2025 HK\$	2024 HK\$
Reversal of impairment losses (impairment losses) recognised in respect of:		
– Margin loan receivables	2,118,015	(7,446,248)
– Trade receivables	328,851	749,979
– Other receivables	(731,510)	(524,457)
Impairment loss recognised in respect of:		
– Property, plant and equipment	(101,043)	–
– Right-of-use assets	(8,333,361)	–
	(6,719,048)	(7,220,726)

Details of impairment assessments are set out in notes 22, 23 and 37.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

11. FINANCE COSTS

	2025 HK\$	2024 HK\$
Interest expense on director's loan	7,068	–
Interest on lease liabilities	1,497,940	682,435
Other interest expense	27,677	302,223
	1,532,685	984,658

12. INCOME TAX EXPENSES

Income tax expenses relating to operations has been recognised in profit or loss as following:

	2025 HK\$	2024 HK\$
Current income tax:		
Hong Kong	1,682,303	1,439,850
PRC	–	–
Singapore	–	–
Income tax expenses	1,682,303	1,439,850

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax under these jurisdictions for both years.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years. No provision for EIT has been made for the PRC subsidiary as the PRC subsidiary did not have any assessable profits subject to EIT in the PRC during the year (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

12. INCOME TAX EXPENSES (Continued)

Under Income Tax Act (Chapter 134) of the Singapore, the corporate income tax rate of the Singapore subsidiaries is 17% for both years. No provision for Singapore corporate income tax has been made for the Singapore subsidiaries as they did not have any assessable profits subject to corporate income tax in the Singapore during the year (2024: Nil).

The reconciliation between the income tax expenses from operations and loss before tax multiplied by the income tax rate applicable to respective tax jurisdictions is as follows:

	2025 HK\$	2024 HK\$
Loss before tax	(16,224,958)	(20,426,037)
Tax calculated at the rates applicable to respective tax jurisdictions	(3,493,222)	(2,074,270)
Tax effect of income that is not taxable	(2,044,915)	(4,293,699)
Tax effect of expenses that are not deductible	5,440,530	6,331,089
Tax effect of tax losses not recognised	1,947,910	1,702,420
Tax effect of utilisation of tax losses previously not recognised	–	(60,690)
Effect of tax concession	(168,000)	(165,000)
Income tax expenses	1,682,303	1,439,850

13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging (crediting) the following:

	2025 HK\$	2024 HK\$
Auditors' remuneration	850,000	850,000
Cost of services	25,609,452	19,566,759
Depreciation of property, plant and equipment	189,210	437,505
Depreciation of right-of-use assets	10,693,921	7,470,722
Exchange gains and losses, net	(11,290)	26,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

14. EMPLOYEE BENEFITS EXPENSES

	2025 HK\$	2024 HK\$
Employee benefits expenses (excluding director's remuneration):		
– Salaries, wages and allowance	25,650,446	24,915,575
– Performance related bonuses	77,500	280,000
– Pension scheme contribution	1,508,865	1,677,073
– Other post-employment benefits	850,073	846,593
	28,086,884	27,719,241

Five highest paid individuals

The five highest paid individuals in the Group during the year included one director (2024: one director), details of whose remuneration are set out in note 15. Details of the remaining four (2024: four) highest paid individuals who are neither a director nor Chief Executive Officer of the Company are as follows:

	2025 HK\$	2024 HK\$
Salaries, allowances and benefits in kind	4,848,680	6,221,289
Performance related bonus	25,000	140,000
Equity settled share-based expense	–	–
Pension scheme contribution	271,212	197,320
	5,144,892	6,558,609

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

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

During the years ended 31 December 2025 and 31 December 2024, no remuneration was 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and Chief Executive Officer ("CEO") emoluments

Directors and CEO remuneration for the year, disclosed pursuant to the applicable GEM Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Name of Director	Director's fee HK\$	Salaries and allowances HK\$	Housing allowance HK\$	Performance related bonuses HK\$	Employer's contribution to a retirement benefit scheme HK\$	Total HK\$
During the year ended 31 December 2025						
Executive Directors						
Fan Yandi (note (iv) as below)	-	-	-	-	-	-
An Xilei	-	-	-	-	-	-
An Xishuai (note (i) as below)	-	-	-	-	-	-
Liu Shihao	-	360,000	-	-	18,000	378,000
Sun Lihua (note (ii) as below)	-	-	-	-	-	-
Wong Hong Gay Patrick Jonathan (note (iii) below)	-	1,825,000	810,000	-	18,000	2,653,000
Mock Wai Yin	-	480,000	-	-	-	480,000
Independent Non-executive Directors						
Chan Chi Keung Alan	120,000	-	-	-	-	120,000
Wong Man Hong	120,000	-	-	-	-	120,000
Lau Mei Ying	120,000	-	-	-	-	120,000
	360,000	2,665,000	810,000	-	36,000	3,871,000
During the year ended 31 December 2024						
Executive Directors						
An Xilei	-	350,000	-	-	10,500	360,500
An Xishuai (note (i) as below)	-	-	-	-	-	-
Liu Shihao	-	360,000	-	-	18,000	378,000
Sun Lihua (note (ii) as below)	-	167,419	-	-	-	167,419
Wong Hong Gay Patrick Jonathan (note (iii) below)	-	1,950,000	800,500	-	20,488	2,770,988
Mock Wai Yin	-	480,000	-	-	-	480,000
Independent Non-executive Directors						
Chan Chi Keung Alan	120,000	-	-	-	-	120,000
Wong Man Hong	120,000	-	-	-	-	120,000
Lau Mei Ying	120,000	-	-	-	-	120,000
	360,000	3,307,419	800,500	-	48,988	4,516,907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and Chief Executive Officer ("CEO") emoluments (Continued)

Notes:

- (i) Mr. An Xishuai has been appointed as executive director of the Company on 28 November 2024.
- (ii) Mr. Sun Lihua has been appointed as executive director of the Company on 14 May 2024 and resigned as executive director of the Company on 25 March 2025.
- (iii) Wong Hong Gay Patrick Jonathan is the Chief Executive Officer of the Company.
- (iv) Ms. Fan Yandi has been appointed as executive director of the Company on 25 March 2025.

During the year ended 31 December 2025, Mr. An Xilei and Mr. An Xishuai have agreed to waive their director's remuneration of HK\$600,000 and HK\$360,000, respectively.

During the year ended 31 December 2024, Mr. An Xilei, Mr. Sun Lihua and Mr. An Xishuai have agreed to waive their director's remuneration of HK\$250,000, HK\$60,000 and HK\$33,000, respectively.

Other than these arrangements, there was no arrangement under which a director and the CEO waived or agreed to waive any remuneration during the year.

The remunerations of directors and the CEO were determined by the remuneration committee having regard to the performance of individuals and market trends.

Fees, salaries and other benefits paid to or for the executive and non-executive directors are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

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

During the year ended 31 December 2025, Mr. Ng Chun Kit and Mr. Sun Lihua, directors of subsidiaries of the Company, waived amounts due to them of HK\$8,004,761 and HK\$200,000, respectively.

Saved as disclosed above, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2025 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

16. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

17. LOSS PER SHARE

The calculation of the basic and diluted loss attributable to the owners of the Company is based on the following data:

	2025 HK\$	2024 HK\$
Loss		
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(18,659,755)	(20,940,799)
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	229,418,448	229,418,448

As there has no outstanding share options as at 31 December 2025 and 31 December 2024 and thus, no diluted loss per share was presented for the year ended 31 December 2025 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. PROPERTY, PLANT AND EQUIPMENT

	LCD monitors HK\$	Furniture and office equipment HK\$	Computer and equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Total HK\$
Year ended 31 December 2025						
At 1 January 2025						
Cost	6,767,371	180,341	1,386,694	4,185,980	2,371,873	14,892,259
Accumulated depreciation and impairment losses	(6,534,283)	(180,135)	(1,291,368)	(4,185,980)	(2,371,873)	(14,563,639)
Net carrying amount	233,088	206	95,326	–	–	328,620
At 1 January 2025						
Net carrying amount	233,088	206	95,326	–	–	328,620
Additions	–	–	97,496	–	–	97,496
Disposal of subsidiaries (Note 35)	(49,997)	–	–	–	–	(49,997)
Impairment losses recognised	(47,989)	–	(53,054)	–	–	(101,043)
Depreciation	(138,190)	(206)	(50,814)	–	–	(189,210)
Exchange realignments	3,088	–	–	–	–	3,088
At 31 December 2025, net of accumulated depreciation and impairment losses	–	–	88,954	–	–	88,954
At 31 December 2025						
Cost	3,562,341	180,341	1,022,555	4,185,980	1,485,964	10,437,181
Accumulated depreciation and impairment losses	(3,562,341)	(180,341)	(933,601)	(4,185,980)	(1,485,964)	(10,348,227)
Net carrying amount	–	–	88,954	–	–	88,954
Year ended 31 December 2024						
At 1 January 2024						
Cost	6,822,031	180,341	1,367,762	4,185,980	3,211,846	15,767,960
Accumulated depreciation and impairment losses	(6,257,837)	(179,307)	(1,314,350)	(4,185,980)	(3,211,846)	(15,149,320)
Net carrying amount	564,194	1,034	53,412	–	–	618,640
At 1 January 2024						
Net carrying amount	564,194	1,034	53,412	–	–	618,640
Additions	57,600	–	94,268	–	–	151,868
Depreciation	(384,328)	(828)	(52,349)	–	–	(437,505)
Exchange realignments	(4,378)	–	(5)	–	–	(4,383)
At 31 December 2024, net of accumulated depreciation and impairment losses	233,088	206	95,326	–	–	328,620
At 31 December 2024						
Cost	6,767,371	180,341	1,386,694	4,185,980	2,371,873	14,892,259
Accumulated depreciation and impairment losses	(6,534,283)	(180,135)	(1,291,368)	(4,185,980)	(2,371,873)	(14,563,639)
Net carrying amount	233,088	206	95,326	–	–	328,620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

LCD monitors	5 years
Furniture and office equipment	3 to 5 years
Computer equipment	3 to 5 years
Leasehold improvements	3 to 5 years or over the term of lease, whichever is shorter
Motor vehicles	3 to 5 years

Impairment assessment

In accordance with the Group's accounting policies, the Group reviews the carrying amount of its property, plant and equipment and right-of-use assets to determine whether there is any indication of that these assets have suffered an impairment loss. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made at the reporting period.

The directors of the Company consider that the Group had two cash generating units for its Advertising and media segment, i.e. the Hong Kong and Singapore Advertising and media units for impairment assessment.

During the year ended 31 December 2025, as described in note 35(a), the Company disposed of the Focus Media Singapore Pte Limited and thus, no impairment assessment on the Company's Singapore Advertising and media unit as the end of the reporting period.

The details of impairment assessment for both years are as following:

Year ended 31 December 2025

In accordance with the Group's accounting policies, the Group reviews the carrying amount of its property, plant and equipment and right of use assets to determine whether there is any indication of these assets have suffered an impairment loss. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made at the reporting period.

The directors of the Company carried out a review of the recoverable amounts of the property, plant and equipment and right-of-use assets containing in the cash-generating units in the advertising and media segment with reference to a professional valuation based on the basis of value-in-use using discounted cash flow method performed by an independent professional valuer, Masterpiece Valuation Advisory Limited ("Masterpiece") by comparing the carrying values and the recoverable amounts of the CGUs which are based on certain key assumptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment (Continued)

Year ended 31 December 2025 (Continued)

In determining the impairment assessment of property, plant and equipment and right-of-use assets the management of the Company is responsible to determine the appropriateness of valuation techniques and inputs for the impairment assessment. The management works closely with the independent professional qualified valuer to establish the appropriate valuation techniques, key assumptions, inputs and date to the model.

The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the advertising and media segment. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the advertising and media segment operate. Budgeted gross margins and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets of the advertising and media segment approved by the directors for the next five years with the residual period using average growth rates of 2%. These rates do not exceed the average long-term growth rates for the relevant markets. The rates used to discount the forecast cash flows from the Group's advertising and media segment is 16.8%.

Since the Group's Hong Kong Advertising and media unit has incurred a loss for the year and, in the opinion of the directors of the Company, the Hong Kong Advertising and media unit was unable to generate positive cash inflow in the coming periods. and thus, the directors of the Company concluded that there were indications of impairment for Hong Kong Advertising and media unit. Based on the impairment assessment, the directors of the Company determined to recognise impairment losses on its property, plant and equipment and right-of-use assets attributable to the Hong Kong Advertising and media unit amounted to HK\$101,043 and HK\$8,333,361, respectively which were charged to the profit or loss for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment (Continued)

Year ended 31 December 2024

During the year ended 31 December 2024, the Group's advertising and media segment recorded a loss for both of its Hong Kong and Singapore Advertising and media units. The directors of the Company carried out a review of the recoverable amounts of the property, plant and equipment and right-of-use assets containing in the cash-generating units in the advertising and media segment with reference to a professional valuation based on the basis of value-in-use using discounted cash flow method performed by an independent professional valuer, Masterpiece Valuation Advisory Limited ("Masterpiece") by comparing the carrying values and the recoverable amounts of the CGUs which are based on certain key assumptions.

In determining the impairment assessment of property, plant and equipment and right-of-use assets the management of the Company is responsible to determine the appropriateness of valuation techniques and inputs for the impairment assessment. The management works closely with the independent professional qualified valuer to establish the appropriate valuation techniques, key assumptions, inputs and date to the model.

The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the advertising and media segment. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the advertising and media segment operate. Budgeted gross margins and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets of the advertising and media segment approved by the directors for the next five years with the residual period using average growth rates of 2%. These rates do not exceed the average long-term growth rates for the relevant markets. The rates used to discount the forecast cash flows from the Group's advertising and media segment are 16.9% and 21.4%, respectively.

Based on the impairment assessment, as at 31 December 2024 the carrying amounts of the CGUs in the advertising and media segment approximates to their recoverable amounts and accordingly, no impairment losses were recognised for the year ended 31 December 2024 regarding the Group's property, plant and equipment and right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. LEASES

(a) Right-of-use assets

	Land and buildings HK\$	Outdoor billboard space HK\$	Total HK\$
Year ended 31 December 2025			
At 1 January 2025			
Cost	15,126,380	5,835,955	20,962,335
Accumulated depreciation and impairment losses	(12,672,102)	(5,549,884)	(18,221,986)
Net carrying amount	2,454,278	286,071	2,740,349
At 1 January 2025			
Net of accumulated depreciation and impairment losses	2,454,278	286,071	2,740,349
Additions	1,805,916	29,481,128	31,287,044
Disposal of subsidiaries (Note 35)	(566,368)	(14,857,739)	(15,424,107)
Depreciation	(2,916,287)	(7,777,634)	(10,693,921)
Impairment loss recognised	(547,102)	(7,786,259)	(8,333,361)
Exchange realignments	55,768	654,433	710,201
At 31 December 2025, net of accumulated depreciation and impairment losses	286,205	–	286,205
At 31 December 2025			
Cost	3,397,401	13,347,873	16,745,274
Accumulated depreciation and impairment losses	(3,111,196)	(13,347,873)	(16,459,069)
Net carrying amount	286,205	–	286,205
Other information:			
Variable lease payments not included in the measurement of lease liabilities	–	(14,813,322)	(14,813,322)
Expenses relating to short-term leases	(826,225)	–	(826,225)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. LEASES (Continued)

(a) Right-of-use assets (Continued)

	Land and buildings HK\$	Outdoor billboard space HK\$	Total HK\$
Year ended 31 December 2024			
At 1 January 2024			
Cost	15,502,515	29,307,811	44,810,326
Accumulated depreciation and impairment losses	(9,975,944)	(26,508,342)	(36,484,286)
Net carrying amount	5,526,571	2,799,469	8,326,040
At 1 January 2024			
Net of accumulated depreciation and impairment losses	5,526,571	2,799,469	8,326,040
Additions	3,220,146	–	3,220,146
Termination	–	(1,300,209)	(1,300,209)
Depreciation charge	(6,277,080)	(1,193,642)	(7,470,722)
Exchange realignments	(15,359)	(19,547)	(34,906)
At 31 December 2024, net of accumulated depreciation and impairment losses	2,454,278	286,071	2,740,349
At 31 December 2024			
Cost	15,126,380	5,835,955	20,962,335
Accumulated depreciation and impairment losses	(12,672,102)	(5,549,884)	(18,221,986)
Net carrying amount	2,454,278	286,071	2,740,349
Other information:			
Variable lease payments not included in the measurement of lease liabilities	–	(9,005,907)	(9,005,907)
Expenses relating to short-term leases	(156,694)	–	(156,694)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. LEASES (Continued)

(a) Right-of-use assets (Continued)

During the year ended 31 December 2025, depreciation charge of HK\$7,777,634 (2024: HK\$1,193,642) was included in cost of sales and the remaining balance was included in administrative expenses.

The Group has lease contracts for land and buildings and outdoor billboard spaces used in its operations. Leases of land and buildings generally have lease terms between 2 and 3 years, while outdoor billboard spaces generally have lease terms between 2 and 5 years. Other land and buildings generally have lease terms of 12 months or less and/or is individually of low value. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

Leases of outdoor billboard spaces are either only variable lease payments or contain variable lease payments that are based on 30% to 60% (2024: 30% to 60%) sales and minimum annual lease payment that are fixed over the lease term. The payment terms are common in the Out-Of-Home advertising industry.

During the year ended 31 December 2024, the Group early terminated a lease contract for outdoor billboard space used in Hong Kong. The termination resulted in a gain of approximately HK\$3,289,377, which is the net effect of derecognition of this carrying amount of right-of-use asset of approximately HK\$1,300,209, the corresponding lease liabilities of approximately HK\$4,589,586 (2025: nil).

Impairment assessment

In accordance with the Group's accounting policies, the Group reviews the carrying amount of its right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made at the reporting period.

The directors of the Company consider that the Group had two cash generating units for its Advertising and media segment, i.e. the Hong Kong and Singapore Advertising and media units for impairment assessment.

The details of impairment assessment for both years are as following:

Year ended 31 December 2025

As described in note 18, based on the impairment assessment, the directors of the Company determined to recognise impairment losses on its property, plant and equipment and right-of-use assets attributable to the Hong Kong Advertising and media unit amounted to HK\$101,043 and HK\$8,333,361, respectively which were charged to the profit or loss for the year ended 31 December 2025.

Year ended 31 December 2024

As described in note 18, based on the impairment assessment, as at 31 December 2024, the carrying amount of the CGUs approximates their recoverable amounts and accordingly, no impairment losses were recognised for the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. LEASES (Continued)

(b) Lease liabilities

	2025 HK\$	2024 HK\$
Lease liabilities	8,747,389	2,973,961
Lease liabilities payable on:		
– Within one year	7,520,092	2,530,953
– Within a period of more than one year but not more than two years	1,227,297	443,008
– Within a period of more than two years but not more than five years	–	–
	8,747,389	2,973,961
Less: Amount due for settlement within 12 months shown under current liabilities	(7,520,092)	(2,530,953)
Amount due for settlement after 12 months shown under non-current liabilities	1,227,297	443,008
Amount analysed as:		
– Non-current	1,227,297	443,008
– Current	7,520,092	2,530,953
	8,747,389	2,973,961
Other information:		
Interest on lease liabilities	1,497,940	682,435
Total cash outflow for leases	8,326,658	6,718,277
Gain on termination of lease contracts	–	3,289,377
Addition of new leases	31,287,044	3,220,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19. LEASES (Continued)

(b) Lease liabilities (Continued)

The weighted average incremental borrowing rates applied to lease liabilities range from 4.51% to 15.01% (2024: from 5.46% to 15.01%).

Lease obligations are denominated in the following currencies:

	2025 HK\$	2024 HK\$
HK\$	8,747,389	1,355,561
Singapore dollars ("SG\$")	–	1,618,400
	8,747,389	2,973,961

20. GOODWILL

	2025 HK\$	2024 HK\$
Goodwill	2,780,482	2,780,482
Less: Impairment loss	(2,780,482)	(2,780,482)
	–	–

The Group acquired the securities brokerage business together with the relevant assets and liabilities, and the interest in Glory Creator Limited. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the securities brokerage CGU in prior year.

Impairment assessment

With reference to a valuation performed by an independent professional valuer in year 2023, the Group's goodwill was fully impaired in year 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21. INVESTMENTS IN SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2025 and 31 December 2024 are as follows:

Name	Place of incorporation/ registration/ operation	Particular of issued share capital	Proportion of ownership interest/ voting rights/profit sharing		Principal activities
			2025	2024	
<i>Directly held by the Company</i>					
Multiple Truth Limited	BVI	1 ordinary share of US\$1 each	100%	100%	Investment holding
Focus Media Network Limited	BVI	10,780,000 ordinary shares of HK\$0.01 each	100%	100%	Investment holding
Ming Yeung Technology Co., Limited	BVI	50,000 ordinary shares of US\$1 each	– (note (a) below)	100%	Investment holding
Magical East Limited	BVI	1 ordinary share of US\$1 each	100%	100%	Investment holding
Profit Path International Limited	BVI	1 ordinary share of US\$1 each	100%	100%	Investment holding
Sun Cornerstone Holdings Limited	BVI	1 ordinary share of US\$1 each	100%	100%	Investment holding
Achiever Ways Limited	BVI	1 ordinary share of US\$1 each	100%	0%	Investment holding
<i>Indirectly held by the Company</i>					
Focus Media Hong Kong Limited	Hong Kong	10,000 ordinary shares of HK\$1 each	100%	100%	Provision of out-of-home advertising services in Hong Kong
Creative Execution Limited	Hong Kong	10,000 ordinary shares of HK\$1 each	100%	100%	Provision of out-of-home advertising services in Hong Kong
Focus Media Singapore Pte. Ltd. ("Focus Media Singapore")	Singapore	5,000 ordinary shares of SG\$1 each	– (note (b) below)	100%	Provision of out-of-home advertising services in Singapore
Creative Execution (Pte.) Limited	Singapore	10 ordinary shares of SG\$1 each	100%	100%	Provision of out-of-home advertising services in Singapore
CNP Cosmetics Singapore Pte. Limited	Singapore	1,000 ordinary shares of SG\$1 each	100%	100%	Retail of skin care products in Singapore
Cosmeceutical Inc. Pte. Limited	Singapore	1,000 ordinary shares of SG\$1 each	100%	100%	Retail of skin care products in Singapore
銳奕(上海)廣告有限公司	PRC	1,000,000 ordinary shares of RMB1 each	100%	100%	Advertisement production and distribution in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration and operation	Particular of issued share capital	Proportion of ownership interest/ voting rights/profit sharing		Principal activities
			2025	2024	
JELIM Aesthetic Limited	Hong Kong	100 ordinary shares of HK\$1 each	100%	100%	Inactive
Ricco Media Investments Limited	BVI	1 ordinary share of US\$1 each	100%	100%	Investment holding in United States
Ricco Entertainment Investments Inc.	United States ("US")	US\$100	100%	100%	Investment holding
Stan Lee Global Entertainment LLC	US	Nil	75%	75%	Film development, production and distribution in US
Magic Storm Entertainment LLC	US	US\$3,000,000	75%	75%	Film development, production and distribution in US
Richgroup International Investment Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	100%	Inactive
Sino Shine Global Limited	BVI	1 ordinary share of US\$1 each	100%	100%	Investment holding
Bliss Central Limited	Hong Kong	1 ordinary share of HK\$1 each	– (note (c) below)	100%	Inactive
Copious Gain Holdings Limited	BVI	1 ordinary share of US\$1 each	– (note (c) below)	100%	Investment holding
Cornerstone Strategic Holding Limited	BVI	50,000 ordinary shares of US\$1 each	91.19%	91.19%	Investment holding
Cornerstone Securities Limited	Hong Kong	261,000,000 ordinary shares of HK\$1 each	91.19%	91.19%	Securities brokerage business in Hong Kong
Cornerstone Asset Management Limited	Hong Kong	10,000,000 ordinary shares of HK\$1 each	91.19%	91.19%	Asset management business in Hong Kong
Glory Creator Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	100%	Investment holding
Hongkong Ming Yeung Technology Co., Limited	Hong Kong	10,000 ordinary shares of HK\$1 each	– (note (a) below)	100%	Investment holding
深圳前海仁恒融資租賃有限公司	PRC	17,000 ordinary shares of RMB1 each	– (note (a) below)	100%	Inactive
北京萬盈鼎元投資管理有限公司	PRC	10,000,000 ordinary shares of RMB1 each	– (note (a) below)	99%	Inactive
Cybersec Technology Pte. Limited	Singapore	10,000 ordinary shares of SGD1 each	– (note (a) below)	100%	Information technology and cybersecurity consultancy
Candela Technology SG Pte. Limited	Singapore	1,000,000 ordinary shares of SG\$1 each	– (note (a) below)	70%	Information technology and cybersecurity consultancy

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration and operation	Particular of issued share capital	Proportion of ownership interest/ voting rights/profit sharing		Principal activities
			2025	2024	
Real Prosperity Development Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	100%	Investment holding
Sun Cornerstone Group Holdings Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	100%	Investment holding
Master Technology Limited	Hong Kong	1 ordinary share of HK\$1 each	100%	-	Investment holding

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

All of the above companies are private limited liability company.

None of the subsidiaries had issued any debt securities during both years and at the end of both years.

Notes:

- As described in note 35, during the year ended 31 December 2025, the Company disposed of its entire equity interest in Ming Yeung Technology Co., Limited and its subsidiaries, namely Hongkong Ming Yeung Technology Co., Limited, Cybersec Technology Pte. Limited, Candela Technology SG Pte. Limited, 深圳前海仁恒融資租賃有限公司 and 北京萬盈鼎元投資管理有限公司 (collectively, the "Ming Yeung Group").
- As described in note 35, during the year ended 31 December 2025, the Company disposed of its entire equity interest in Focus Media Singapore.
- Deregistered during the year ended 31 December 2025.

22. MARGIN LOAN RECEIVABLES

	2025 HK\$	2024 HK\$
Margin loan receivables	63,523,702	89,012,861
Less: Allowance for credit losses	(23,923,144)	(26,041,159)
	39,600,558	62,971,702

Margin loans to third parties are denominated in Hong Kong dollars, bearing interest at commercial rates, secured by the underlying pledged securities and are repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

22. MARGIN LOAN RECEIVABLES (Continued)

The credit facility limits to margin clients are determined by the discounted market value of the collateral securities accepted by the Group, where the Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call with the margin clients having to make good the shortfall. In granting credit facility, other factors such as financial strength, creditworthiness and the past collection statistics are also considered. The Group's credit review department are responsible to monitor credit risk and seek to maintain a strict control over the outstanding loan balance.

The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. As at 31 December 2025, advances to customers in margin financing of HK\$63,523,702 (2024: HK\$89,012,861) were secured by securities pledged by the customers to the Group as collateral with undiscounted market value of HK\$47,843,712 (2024: HK\$84,953,859).

No ageing analysis is disclosed as, in the opinion of the directors of the Company, an ageing analysis is not meaningful in view of the nature of the business of securities margin financing.

Details of impairment assessment of margin loan receivables are set out in note 37(b).

23. TRADE AND OTHER RECEIVABLES

	Notes	2025 HK\$	2024 HK\$
Trade receivables	(a)	8,998,630	14,546,775
Less: Allowance for credit losses		(425,160)	(739,606)
Trade receivables, net		8,573,470	13,807,169
Deposits, prepayments and other receivables	(b)	5,141,619	11,737,427
Less: Allowance for credit losses		(494,362)	(514,849)
Deposit, prepayment and other receivables, net		4,647,257	11,222,578
		13,220,727	25,029,747
Analysed as:			
– Current		12,036,212	24,026,586
– Non-current		1,184,515	1,003,161
		13,220,727	25,029,747

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

23. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

(a) Trade receivables

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The following is an ageing analysis of trade receivables as at the end of reporting period, net of allowance for credit loss presented based on invoice date, is as follows:

	2025 HK\$	2024 HK\$
Within 30 days	6,251,429	9,888,963
31 to 60 days	793,424	1,597,674
Over 60 days	1,528,617	2,320,532
	8,573,470	13,807,169

(b) Prepayments, other receivables and other assets

	2025 HK\$	2024 HK\$
Prepayments	2,187,320	1,197,115
Rental deposits	993,180	2,197,344
Other deposits	152,500	606,643
Deposit with Hong Kong Exchanges and Clearing Limited	705,000	705,000
Other taxes receivables	150,621	986,834
Other receivables	918,616	6,010,109
Due from non-controlling interests (note below)	34,382	34,382
	5,141,619	11,737,427

Note: The amount due from non-controlling interests was unsecured, interest-free and had no fixed terms of repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

23. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(c) Others

The carrying amounts of the trade and other receivables are denominated in the following currencies:

	2025 HK\$	2024 HK\$
HK\$	11,789,390	10,934,866
Singapore dollars ("SG\$")	1,431,337	10,722,578
Renminbi ("RMB")	–	3,372,303
	13,220,727	25,029,747

Details of impairment assessment of trade and other receivables are set out in note 37(b).

24. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 HK\$	2024 HK\$
Financial assets mandatorily measured at fair value through profit or loss			
Equity Securities Investment			
– Listed on the London Stock Exchange	(a)	42,450,788	32,966,670

Notes:

(a) Equity securities listed on the London Stock Exchange

In prior years, the Group subscribed 16,500,000 ordinary shares of a public company incorporated in England and Wales which is principally engaging in technology innovations investments, at a total consideration of GBP660,000 (equivalent to approximately HK\$5,896,000). On 31 October 2022, the ordinary shares of the investee were listed on the Main Market of the London Stock Exchange.

As at 31 December 2025 and 31 December 2024, the fair value of the Group's equity securities listed on the London Stock Exchange is based on the quoted bid price on the London Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

24. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

(b) Others

The carrying amounts of the equity investments at fair value through profit or loss are denominated in the following currencies:

	2025 HK\$	2024 HK\$
Pound ("GBP")	42,450,788	32,966,670

25. CASH HELD ON BEHALF OF BROKERAGE CLIENTS

	2025 HK\$	2024 HK\$
Cash held on behalf of brokerage clients	25,546,556	1,999,316

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business (see note 28).

The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognised the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. Cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

26. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	2025 HK\$	2024 HK\$
Cash and bank balances	52,896,664	51,553,020

Bank balances earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

26. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS (Continued)

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	2025 HK\$	2024 HK\$
HK\$	50,732,647	47,440,424
SG\$	151,658	1,706,253
RMB	214,330	235,310
GBP	525	507
US\$	1,797,504	2,170,526
	52,896,664	51,553,020

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$214,330 (2024: HK\$235,310). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Details of impairment assessment of cash and cash equivalents are set out in note 37(b).

27. TRADE AND OTHER PAYABLES

	Notes	2025 HK\$	2024 HK\$
Trade payables	(a)	183,320	28,730
Accruals		20,237,244	18,908,231
License fee payable		37,746	37,746
Other payables		2,387,415	13,490,500
Advances from directors and directors of subsidiaries of the Company	(b)	2,623,068	9,820,761
		25,468,793	42,285,968

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

27. TRADE AND OTHER PAYABLES (Continued)

Notes:

(a) Trade payables

The trade payables are non-interest bearing and are normally settled from 60 to 90 days.

The following is an ageing analysis of trade payables as at the end of reporting period presented based on invoice date, is as follows:

	2025 HK\$	2024 HK\$
Within 30 days	103,080	–
31 to 60 days	–	–
Over 60 days	80,240	28,730
	183,320	28,730

(b) Advances from directors and directors of subsidiaries of the Company

(i) As at 31 December 2025, advances from directors and directors of subsidiaries of the Company amounted to HK\$2,623,068. The balance included (i) HK\$1,616,000 advanced from a director of the Company, which is unsecured, interest-free and repayable within one year; and (ii) HK\$1,007,068 advanced from a director of the Company, which is unsecured, bears a fixed interest rate of 2% per annum and is repayable within one year.

(ii) As at 31 December 2024, advances from directors and directors of subsidiaries of the Company amounted to HK\$9,820,761. The balance is unsecured, interest-free and repayable within one year.

(c) The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2025 HK\$	2024 HK\$
HK\$	21,345,796	23,963,259
SG\$	–	11,927,154
RMB	3,556	2,350,670
US\$	4,119,441	4,044,885
	25,468,793	42,285,968

28. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

	2025 HK\$	2024 HK\$
Accounts payable to brokerage clients	25,546,556	1,999,316

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group (see note 25).

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of these businesses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

29. CONTRACT LIABILITIES

	2025 HK\$	2024 HK\$
Contract liabilities arising from – advertising and media services	1,104,002	1,690,753

Contract liabilities represent payment received in advance from customers or payment due from customers for the billings in advance of performance obligation in connection with the Group's advertising and media services. Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current or non-current based on the Group's earliest obligation to transfer services to the customers. As at end of the reporting period, all of the Group's contract liabilities are classified as current.

All contract liabilities are non-interest bearing.

The movements in contract liabilities during the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025 HK\$	2024 HK\$
Balance at 1 January	1,690,753	3,180,008
Revenue recognized that was included in the contract liabilities at the beginning of the period	(1,564,688)	(3,145,135)
Increase in contract liabilities as a result of payment received in advance from customers or billing in advance of performance obligation	1,252,670	1,703,246
Disposal of subsidiaries (Note 35)	(281,110)	–
Exchange realignments	6,377	(47,366)
Balance at 31 December	1,104,002	1,690,753

The changes in balance of contract liabilities were mainly due to the difference between payment received in advance from customers and billing to customers in advance of performance obligation in accordance with terms of the agreement with the advertising and media customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

30. UNPROVIDED DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain insignificant deferred tax assets and liabilities have been offset.

Deferred income tax assets are authorised for tax loss carry-forwards to the extent that the authorised of the related tax benefit through the future taxable profits is probable. The Group did not recognised deferred tax assets of HK\$9,341,157 (2024: HK\$16,491,122) in respect of recognised tax losses of HK\$56,527,972 (2024: HK\$99,175,936). The tax losses can be carried forward against future taxable income with no expiry date.

Other than the above, the directors of the Company consider that the Group did not have any significant unrecognised deferred tax assets or liabilities at the end of the reporting period.

31. SHARE CAPITAL

	2025 HK\$	2024 HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
50,000,000,000 ordinary shares	500,000,000	500,000,000
Issued shares:		
229,418,448 ordinary shares	2,294,184	2,294,184

There were no movements of the Company's share capital for the years ended 31 December 2025 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

32. NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2025	2024
Percentage of equity held by non-controlling interests:		
Candela Technology SG Pte. Limited ("CTS")	N/A	30.00%
Stan Lee Global Entertainment LLC ("SLGE")	25.00%	25.00%
Cornerstone Securities Limited ("CSL")	8.81%	8.81%
	HK\$	HK\$
(Loss) profit for the year allocated to non-controlling interests:		
– CTS	(339,425)	(927,704)
– SLGE	(1,877)	7,568
– CSL	1,063,025	92,356
– Individually immaterial subsidiaries with non-controlling interests	30,771	(97,308)
	752,494	(925,088)
Accumulated balances of non-controlling interest at the reporting date:		
– CTS	N/A	(2,283,853)
– SLGE	(3,442,598)	(3,440,824)
– CSL	23,174,380	22,111,356
– Individually immaterial subsidiaries with non-controlling interests	(481,222)	(513,472)
	19,250,560	15,873,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

32. NON-CONTROLLING INTERESTS (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intergroup eliminations.

Year ended 31 December 2025	SLGE HK\$	CTS HK\$	CSL HK\$
Revenue	–	–	7,396,721
Total expenses	(18,799)	(1,066,858)	(10,041,079)
(Loss)/profit for the year	(18,799)	(1,131,417)	(12,066,113)
Total comprehensive (expense) income for the year	(18,799)	(1,131,417)	(12,066,113)
Current assets	2,178,692	N/A	316,413,479
Non-current assets	12,945,251	N/A	975,812
Current liabilities	(15,595,739)	N/A	(26,772,614)
Non-current liabilities	–	N/A	(39,274)
Net cash flows (used in) generated from operating activities	(35,814)	(109,447)	22,075,063
Net cash flows (used in) investing activities	–	–	(18,592,309)
Net cash flows (used in) financing activities	–	–	(283,693)
Net (decrease)/increase in cash and cash equivalents	(35,814)	(109,447)	3,199,061

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

32. NON-CONTROLLING INTERESTS (Continued)

Year ended 31 December 2024	SLGE HK\$	CTS HK\$	CSL HK\$
Revenue	–	–	7,858,711
Total expenses	(16,715)	(3,201,069)	(10,290,351)
(Loss)/profit for the year	(16,715)	(3,092,345)	1,048,311
Total comprehensive (expense) income for the year	(16,715)	(3,092,345)	1,048,311
Current assets	2,199,391	2,387,885	280,833,674
Non-current assets	–	–	933,564
Current liabilities	(15,609,341)	(10,000,730)	(3,255,949)
Non-current liabilities	–	–	–
Net cash flows (used in) generated from operating activities	(35,759)	405,006	(6,390,861)
Net cash flows used in investing activities	–	–	(15,500,000)
Net cash flows used in financing activities	–	(293,136)	(882,842)
Net (decrease) increase in cash and cash equivalents	(35,759)	111,870	(22,773,703)

33. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme and Central Provident Fund Scheme for all qualifying employees in Hong Kong and Singapore, respectively. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes at rates specified in the rules of these schemes, which contribution is matched by employees.

The total expense recognised in profit or loss of HK\$1,632,515 (2024: HK\$1,652,993) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2025, contributions of HK\$122,901 (2024: HK\$125,322) due in respect of the year ended 31 December 2025 had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

34. RELATED PARTY TRANSACTIONS

Saves as disclosed elsewhere in these consolidated financial statements, the Group had the following transactions and balances with related parties during the year.

- (a) The Group has an outstanding principal amount of HK\$1,616,000 (2024: HK\$1,616,000) as at 31 December 2025 due to Mr. An Xilei, a director of the Company. Details of which are set out in note 27 to the consolidated financial statements.
- (b) As at 31 December 2025, the Group had an outstanding principal balance of HK\$1,007,068 due to Mr. Wong Hong Gay Jonathan Patrick, a director of a subsidiary of the Group. The amount accrues interest at 2% per annum and is repayable within one year. Further details are provided in note 27 to the consolidated financial statements.
- (c) During the year ended 31 December 2025, Mr. Sun Lihua, a former director of the Company, waived an outstanding amount of HK\$200,000 due to him from the Group. Details of which are set out in note 8 and 27 to the consolidated financial statements.
- (d) During the year ended 31 December 2025, Mr. Ng Chun Kit, a director of a subsidiary of the Company, waived an outstanding amount of HK\$8,004,760 due to him from the Group. Details of which are set out in note 8 and 27 to the consolidated financial statements.
- (e) Compensation of key management personnel of the Group

	2025 HK\$	2024 HK\$
Salaries, wages and allowances	3,025,000	3,667,419
Pension costs – defined contribution plans	36,000	48,988
Performance related bonuses	–	–
Other post-employment benefits	810,000	800,500
	3,871,000	4,516,907

Further details of Directors and the Chief Executive Officer's remuneration are included in note 15 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

35. DISPOSAL OF SUBSIDIARIES

- (a) On 17 September 2025, the Group disposed of its 100% equity interest of Focus Media Singapore at a consideration of HK\$3,000,000 to an independent third party which is mainly engaged in the provision of out-of-home advertising services in Singapore.
- (b) On 23 December 2025, the Group disposed of its 100% equity interest of Ming Yeung Group at a consideration of HK\$100,000 to an independent third party which is mainly engaged in the provision of Information technology and cybersecurity consultancy Services.

The net liabilities of Focus Media Singapore and Ming Yeung Group at the date of disposal were as follows:

	Focus Media Singapore HK\$	Ming Yeung Group HK\$	Total HK\$
Analysis of assets and liabilities over which control was lost:			
Property, plant and equipment	49,997	–	49,997
Right-of-use assets	15,424,107	–	15,424,107
Trade and other receivables	3,731,529	6,625,738	10,357,267
Cash and cash equivalents	620,371	948,013	1,568,384
Trade and other payables	(5,077,983)	(12,953,700)	(18,031,683)
Contract liabilities	(281,110)	–	(281,110)
Lease liabilities	(15,686,702)	–	(15,686,702)
Net liabilities disposed of	(1,219,791)	(5,379,949)	(6,599,740)
Consideration received:			
Cash received	3,000,000	100,000	3,100,000
Gain on disposal of subsidiaries			
Consideration received	3,000,000	100,000	3,100,000
Net liabilities disposed of	1,219,791	5,379,949	6,599,740
Non-controlling interests	–	(2,676,811)	(2,676,811)
Reclassification of cumulative exchange reserve upon disposal of subsidiaries	253,901	(191,415)	62,486
Gain on disposal	4,473,692	2,611,723	7,085,415
Net cash inflow (outflow) arising on disposal			
Cash consideration	3,000,000	100,000	3,100,000
Less: Cash and cash equivalents disposed of:	(620,371)	(948,013)	(1,568,384)
Net cash inflow (outflow) from the disposal	2,379,629	(848,013)	1,531,616

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2025 HK\$	2024 HK\$
<u>Financial assets</u>		
Equity investments at fair value through profit or loss	42,450,788	32,966,670
Financial asset at amortised cost		
– Margin loan receivables	39,600,558	62,971,702
– Trade receivables	8,573,470	13,807,169
– Financial assets included in prepayments, other receivables and other assets	2,459,937	9,038,629
– Cash held on behalf of brokerage clients	25,546,556	1,999,316
– Cash and cash equivalents	52,896,664	51,553,020
	171,527,973	172,336,506
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
– Trade payables	183,320	28,730
– Financial liabilities included in other payables	25,285,473	42,257,238
– Accounts payable to brokerage clients	25,546,556	1,999,316
– Lease liabilities	8,747,389	2,973,961
	59,762,738	47,259,245

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Foreign currency risk

The Group operates in Hong Kong, Singapore and the United States and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars ("US\$"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operation.

To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group mitigates this risk by maintaining HK\$ and US\$ bank accounts to pay for the transactions denominated in these currencies. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

In the opinion of the directors of the Company, HK\$ are reasonably stable with US\$ under the Linked Exchange Rate System, and accordingly, the Group does not have any significant foreign exchange risk in respect of transactions or balances as denominated in US\$. Accordingly, no sensitivity analysis is performed on US\$.

(b) Credit risk and impairment assessment

The Group's credit risk is primarily attributable to deposits with banks, trade and other receivables and margin loan receivables, equity instruments at fair value through profit or loss, amount due from non-controlling interest. Management has policies in place and exposures to these credit risks are monitored on an ongoing basis.

Trade receivables arising from contracts with customers

Trade receivables have an average credit period of 30 days from the date of invoice unless there is a separate mutual agreement on extension of the credit period. Individual credit evaluations are performed by the Group on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors who have overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The management of the Company determine to assess the impairment of trade receivable in accordance with simplified approach. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Current	0-30 days	Past due 31-60 days	Over 60 days	Total
At 31 December 2025					
Expected credit loss rate (%)	2.24%	2.72%	5.09%	12.84%	4.72%
Gross carrying amount (HK\$)	3,579,931	2,828,833	836,000	1,753,866	8,998,630
Expected credit losses (HK\$)	80,270	77,066	42,576	225,248	425,160

At 31 December 2024

Expected credit loss rate (%)	2.78%	4.72%	5.05%	10.50%	5.08%
Gross carrying amount (HK\$)	5,279,060	4,992,369	1,682,690	2,592,656	14,546,775
Expected credit losses (HK\$)	146,867	235,599	85,017	272,123	739,606

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

The movements in the allowance for credit loss of trade receivables are as follows:

	2025 HK\$	2024 HK\$
At beginning of year	739,606	2,107,512
Written off as bad debt	–	(579,548)
Reversal of impairment loss of trade receivables, net	(328,851)	(749,979)
Exchange realignment	14,405	(38,379)
At end of year	425,160	739,606

Margin loan receivables

At 31 December 2025, the collaterals furnished by the margin clients for security of their loans and advances from the Group are listed securities, which are listed in Hong Kong. The total market value of securities amounted to HK\$47,843,712 (2024: HK\$84,953,859) and margin loan receivables amounted to HK\$63,523,702 (2024: HK\$89,012,861). The maximum exposure to credit risk before collateral held or other credit enhancements approximates to the carrying value.

The management estimates the amount of ECL of margin loan receivables based on the assessments considering the probability of default, expected recovery rates from loss given default, forward-looking information and macroeconomic environment as well as the fair value of the collateral pledged by the customers to the margin loan receivables. Based on above assessments, the management, an estimated reversal of impairment loss amounting to HK\$2,118,015 (2024: impairment loss of HK\$7,446,248) that was recognised during the year ended 31 December 2025. The management of the Company determine to assess the impairment of margin loan receivables in accordance with general approach.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Margin loan receivables (Continued)

The movements in the allowance for credit loss of margin loan receivables are as follows:

	2025 HK\$	2024 HK\$
At beginning of year	26,041,159	23,525,880
Reversal of impairment loss of margin loan receivables, net	(2,118,015)	–
Written off	–	(4,930,969)
Impairment loss recognised	–	7,446,248
At end of year	23,923,144	26,041,159

Bank balances and pledged bank deposits

Credit risk on bank balances and pledged bank deposits is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12-month ECL for bank balances and pledged bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on bank balances and pledged bank deposits is considered to be insignificant and therefore no loss allowance was recognised.

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Based on above assessments, the management, an estimated impairment loss of HK\$731,510 (2024: HK\$524,457) that was recognised during the year ended 31 December 2025. The management of the Company determine to assess the impairment of other receivables in accordance with general approach.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Other receivables and deposits (Continued)

The movements in the allowance for credit loss of other receivables are as follows:

	2025 HK\$	2024 HK\$
At beginning of year	514,849	–
Impairment loss recognised	731,510	524,457
Disposal of subsidiaries	(766,650)	–
Exchange realignment	14,653	(9,608)
At the end of year	494,362	514,849

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

	12-month ECL		Lifetime ECL		Simplified approach HK\$	Total HK\$
	Stage 1 HK\$	Stage 2 HK\$	Stage 3 HK\$			
As at 31 December 2025						
Margin loan receivables	10,602	63,513,100	–	–	–	63,523,702
Trade receivables	–	–	–	8,998,630	8,998,630	8,998,630
Financial assets included in prepayments, other receivables and other assets						
– Normal	2,954,299	–	–	–	–	2,954,299
Cash held on behalf of brokerage	25,546,556	–	–	–	–	25,546,556
Cash and cash equivalents	52,896,664	–	–	–	–	52,896,664
	81,408,121	63,513,100	–	8,998,630	153,919,851	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Maximum exposure and year-end staging (Continued)

	12-month ECL		Lifetime ECL		Simplified approach HK\$	Total HK\$
	Stage 1 HK\$	Stage 2 HK\$	Stage 3 HK\$			
As at 31 December 2024						
Margin loan receivables	9,746	89,003,115	–	–	–	89,012,861
Trade receivables	–	–	–	–	14,546,775	14,546,775
Financial assets included in prepayments, other receivables and other assets						
– Normal	7,792,027	1,761,450	–	–	–	9,553,477
Cash held on behalf of brokerage	1,999,316	–	–	–	–	1,999,316
Cash and cash equivalents	51,553,020	–	–	–	–	51,553,020
	61,354,109	90,764,565	–	–	14,546,775	166,665,449

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet its liquidity requirements in the short and long term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand and within 1 year HK\$	1 to 5 years HK\$	Total HK\$	Carrying amount HK\$
At 31 December 2025				
Trade and other payables	25,468,793	–	25,468,793	25,468,793
Accounts payable to brokerage clients	25,546,556	–	25,546,556	25,546,556
Lease liabilities	7,934,113	1,240,000	9,174,113	8,747,389
	58,949,462	1,240,000	60,189,462	59,762,738
At 31 December 2024				
Trade and other payables	42,285,968	–	42,285,968	42,285,968
Accounts payable to brokerage clients	1,999,316	–	1,999,316	1,999,316
Lease liabilities	2,687,855	453,650	3,141,505	2,973,961
	46,973,139	453,650	47,426,789	47,259,245

(d) Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at fair value through profit or loss. For equity securities measured at fair value through profit or loss quoted in The Stock Exchange of Hong Kong Limited, the management of the Group considered the risk of this exposure is insignificant as the amount of the investment is immaterial.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. For sensitivity analysis of equity securities with fair value measurement categorised within Level 1, the sensitivity rate is increased to 10% in 2025 as a result of the volatile financial market.

If the prices of the respective equity instruments had been 10% (2024: 10%) higher/lower, the post-tax result for the year ended 31 December 2025 would increase/decrease by HK\$4,245,079 (2024: increase/decrease by HK\$3,296,667) as a result of the changes in fair value of investments at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

38. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Net debt is calculated as total borrowing (including "amount due to directors of the Company and a director of a subsidiary of the Company" as included in "trade and other payables" as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2025 and 31 December 2024 were as follows:

	2025 HK\$	2024 HK\$
Total borrowing	2,623,068	9,820,761
Cash and cash equivalents	(52,896,664)	(51,553,020)
Net debt	(50,273,596)	(41,732,259)
Total equity	112,777,301	128,280,693
Gearing ratio	4.20%	11.34%

39. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Management has assessed the fair values of the Group's financial assets and financial liabilities are approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the directors and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

39. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial assets that are measured at fair value on recurring basis:

	Quoted prices in active markets (Level 1) HK\$	Significant observable inputs (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	Total HK\$
As at 31 December 2025				
Equity instruments at fair value through profit or loss	42,450,788	–	–	42,450,788
As at 31 December 2024				
Equity instruments at fair value through profit or loss	32,966,670	–	–	32,966,670

During the year ended 31 December 2025 and 31 December 2024, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and liabilities.

The Group did not have any significant financial liabilities measured at fair value as at 31 December 2025 and 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

39. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value hierarchy (Continued)

The following table provides information of the valuation technique, key inputs and the correlation of key unobservable input to the fair value measurement of financial instruments carried at fair value:

As at 31 December 2025

Item	Carrying amount	Fair value hierarchy	Valuation technique and key inputs	Effect on fair value for increase of inputs
Equity securities listed on the London Stock Exchange	HK\$42,450,788	Level 1	Quoted bid-prices in an active market	N/A

As at 31 December 2024

Item	Carrying amount	Fair value hierarchy	Valuation technique and key inputs	Effect on fair value for increase of inputs
Equity securities listed on the London Stock Exchange	HK\$32,966,670	Level 1	Quoted bid-prices in an active market	N/A

The fair value of the unlisted equity securities has been arrived based on a valuation carried out by an independent professional valuer not connected to the Group who has appropriate qualification and recent experience in the valuation of such equity securities.

Financial assets that are not measured at fair value on recurring basis:

The directors of the Company consider that the carrying amounts of the Group's financial instruments that are not measured at fair value approximate to their fair values.

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Saves as disclosed elsewhere in these consolidated financial statements, the Group had the following major non-cash transactions:

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and corresponding increase of lease liabilities amounted to HK\$31,287,044 (2024: HK\$3,220,146), in respect of lease arrangements land and buildings and outdoor billboard spaces.

During the year ended 31 December 2025, Mr. Ng Chun Kit and Mr. Sun Lihua, directors of subsidiaries of the Company, waived amounts due to them of HK\$8,004,761 and HK\$200,000, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities

	Advances from directors and directors of subsidiaries of the Company HK\$	Lease liabilities HK\$
Year ended 31 December 2025		
At 1 January 2025	9,820,761	2,973,961
Advances from directors and directors of subsidiaries of the Company	1,007,068	–
Changes from financing cash flows	–	(8,326,658)
New leases	–	31,287,044
Disposal of subsidiaries	–	(15,686,702)
Exchange realignments	–	711,368
Interest expense	–	1,497,940
Other changes	(8,204,761)	(3,709,564)
At 31 December 2025	2,623,068	8,747,389
Year ended 31 December 2024		
As At 1 January 2024	1,616,000	13,439,728
Advances from directors and directors of subsidiaries of the Company	8,204,761	–
Changes from financing cash flows	–	(6,718,277)
New leases	–	3,220,146
Termination of lease	–	(4,589,586)
Exchange realignments	–	(148,219)
Interest expense	–	682,435
Other changes	–	(2,912,266)
At 31 December 2024	9,820,761	2,973,961

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

41. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENTS OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK\$	2024 HK\$
Non-current assets		
Right-of-use assets	162,091	–
Interests in subsidiaries	39	39
	162,130	39
Current assets		
Equity investments at fair value through profit or loss	42,450,788	32,966,670
Deposits, prepayments and other receivables	410,800	341,269
Amounts due from subsidiaries	151,278,144	205,140,907
Cash and cash equivalents	111,922	540,617
	194,251,654	238,989,463
Current liabilities		
Accruals and other payables	2,319,266	2,632,123
Lease liability	166,027	–
Amounts due to subsidiaries	206,502,731	174,171,099
	208,988,024	176,803,222
Net current liabilities	(14,736,370)	62,186,241
NET LIABILITIES	(14,574,240)	62,186,280
Capital and reserves		
Share capital	2,294,184	2,294,184
Reserves (Note below)	(16,868,424)	59,892,096
TOTAL EQUITY	(14,574,240)	62,186,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

41. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENTS OF THE COMPANY (Continued)

Note: The movements of the Company's reserves are as follows:

	Share premium HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2024	612,827,938	(479,579,888)	133,248,050
Loss for the year	–	(73,355,954)	(73,355,954)
At 31 December 2024 and 1 January 2025	612,827,938	(552,935,842)	59,892,096
Loss for the year	–	(76,760,520)	(76,760,520)
At 31 December 2025	612,827,938	(629,696,362)	(16,868,424)

42. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2025 (2024: Nil).

43. EVENTS AFTER REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, the Group does not have any significant events after the end of the reporting period and up to the date of approval of the consolidated financial statements.

44. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2026.



基石金融控股有限公司

CORNERSTONE FINANCIAL HOLDINGS LIMITED