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Haosen Fintech Group Limited

浩森金融科技集團有限公司

(incorporated in Cayman Islands with limited liability)

(Stock code: 3848)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Haosen Fintech Group Limited (the “**Company**”) is pleased to present the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | For the year ended 31 December | |
|---|-------|--------------------------------|---------------------------|
| | | 2025 | 2024 |
| | Notes | RMB'000 | RMB'000 (re-presented) |
| Continuing operations | | | |
| Revenue | 5 | 92,237 | 107,175 |
| Other income | 5 | 2,042 | 3,551 |
| Employee benefit expenses | 7 | (18,511) | (24,487) |
| Depreciation | 7 | (1,635) | (1,701) |
| Other operating expenses | | (8,786) | (7,073) |
| Provision for expected credit losses (“ ECLs ”) on loan and account receivables, net | | (46,779) | (59,264) |
| Finance costs | 6 | (10,454) | (12,480) |
| Profit before income tax from continuing operations | 7 | 8,114 | 5,721 |
| Income tax expense | 8 | (6,163) | (8,006) |
| Profit/(loss) for the year from continuing operations | | 1,951 | (2,285) |
| Discontinued operation | | | |
| Profit for the year from a discontinued operation | 9 | 3,618 | 7,893 |
| Profit for the year attributable to equity holders of the Company | | 5,569 | 5,608 |

| | | For the year ended 31 December | |
|--|-------------|---------------------------------------|----------------------------------|
| | | 2025 | 2024 |
| | <i>Note</i> | RMB'000 | <i>RMB'000</i> (re-presented) |
| Other comprehensive income/(expense) | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences arising on translation of foreign operations | | 297 | (1,034) |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Exchange differences arising on translation of the Company's financial statements into presentation currency | | 1,257 | (853) |
| Other comprehensive income/(expense) for the year, net of income tax | | 1,554 | (1,887) |
| Total comprehensive income for the year attributable to equity holders of the Company | | 7,123 | 3,721 |
| Earnings/(loss) per share attributable to equity holders of the Company | | | |
| Basic | 11 | | |
| – For profit for the year | | 3.56 cents | 3.58 cents |
| – For profit/(loss) from continuing operations | | 1.25 cents | (1.46) cents |
| Diluted | | | |
| – For profit for the year | | 3.33 cents | 3.58 cents |
| – For profit/(loss) from continuing operations | | 1.17 cents | (1.46) cents |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | As at 31 December | |
|---|----|-------------------|----------------|
| | | 2025 | 2024 |
| <i>Notes</i> | | <i>RMB'000</i> | <i>RMB'000</i> |
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Plant and equipment | | 395 | 484 |
| Right-of-use assets | | 3,528 | 3,760 |
| Intangible assets | | – | – |
| Other assets | | 386 | 392 |
| Loan receivables | 12 | 193,997 | 251,341 |
| Deposits | | 67 | 292 |
| Deferred tax assets | | 29,693 | 42,946 |
| | | <u>228,066</u> | <u>299,215</u> |
| Current assets | | | |
| Loan and account receivables | 12 | 497,120 | 470,058 |
| Prepayments, deposits and other receivables | | 573 | 522 |
| Amount due from a related party | | 22 | – |
| Tax recoverable | | 464 | – |
| Bank balances and cash | | 35,143 | 33,354 |
| | | <u>533,322</u> | <u>503,934</u> |

| | | As at 31 December | |
|---|--------------|--------------------------|----------------|
| | | 2025 | 2024 |
| | <i>Notes</i> | RMB'000 | RMB'000 |
| Current liabilities | | | |
| Account payables | 13 | 6,227 | 1,388 |
| Deposits from financial leasing customers | | – | 500 |
| Accruals and other payables | | 23,629 | 22,563 |
| Amounts due to related parties | | 10,896 | 13,724 |
| Lease liabilities | | 1,186 | 1,369 |
| Dividend payable | | 3,175 | 2,722 |
| Bonds payable | | 27,051 | 28,160 |
| Bank borrowings | 14 | 100,168 | 142,293 |
| Tax payable | | – | 6,516 |
| | | <u>172,332</u> | <u>219,235</u> |
| Net current assets | | <u>360,990</u> | <u>284,699</u> |
| Total assets less current liabilities | | <u>589,056</u> | <u>583,914</u> |
| Non-current liability | | | |
| Lease liabilities | | <u>2,499</u> | <u>2,524</u> |
| Net assets | | <u>586,557</u> | <u>581,390</u> |
| EQUITY | | | |
| Share capital | 15 | 1,357 | 1,357 |
| Reserves | | <u>585,200</u> | <u>580,033</u> |
| Total equity attributable to equity holders of the Company | | <u>586,557</u> | <u>581,390</u> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| | Share capital | Proposed final dividend [‡] | Share premium [‡] | Share- based payment reserve [‡] | Exchange reserve [‡] | Other reserve [‡] | Statutory surplus reserve [‡] | Treasury shares [‡] | Retained profits [‡] | Total |
|---|------------------|--|-------------------------------|--|----------------------------------|-------------------------------|--|---------------------------------|----------------------------------|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | (Note 15) | (Note 10) | | | | | | | | |
| At 1 January 2025 | 1,357 | 4,411 | 217,025 | 9,628 | (4,178) | 240,521 | 55,222 | (-)* | 57,404 | 581,390 |
| Comprehensive income: | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | 5,569 | 5,569 |
| Other comprehensive income: | | | | | | | | | | |
| Exchange differences arising on translation | - | - | - | - | 1,554 | - | - | - | - | 1,554 |
| Total comprehensive income for the year | - | - | - | - | 1,554 | - | - | - | 5,569 | 7,123 |
| Cancellation of shares (Note 15) | (-)* | - | - | - | - | - | - | -* | - | - |
| Equity-settled share-based payments | - | - | - | 2,455 | - | - | - | - | - | 2,455 |
| Share options lapsed | - | - | - | (62) | - | - | - | - | 62 | - |
| Final dividend (Note 10) | - | (4,411) | - | - | - | - | - | - | - | (4,411) |
| Proposed final dividend (Note 10) | - | 4,232 | (4,232) | - | - | - | - | - | - | - |
| Transferred to statutory surplus reserve | - | - | - | - | - | - | 4,938 | - | (4,938) | - |
| At 31 December 2025 | <u>1,357</u> | <u>4,232</u> | <u>212,793</u> | <u>12,021</u> | <u>(2,624)</u> | <u>240,521</u> | <u>60,160</u> | <u>-</u> | <u>58,097</u> | <u>586,557</u> |

| | Share capital RMB'000 (Note 15) | Proposed final dividend# RMB'000 (Note 10) | Share premium# RMB'000 | Share- based payment reserve# RMB'000 | Exchange reserve# RMB'000 | Other reserve# RMB'000 | Statutory surplus reserve# RMB'000 | Treasury shares# RMB'000 | Retained profits# RMB'000 | Total RMB'000 |
|--|--|--|------------------------------|---|---------------------------------|------------------------------|---|--------------------------------|---------------------------------|------------------|
| At 1 January 2024 | 1,358 | 4,269 | 221,845 | 980 | (2,291) | 240,521 | 54,703 | - | 52,315 | 573,700 |
| Comprehensive income: | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | 5,608 | 5,608 |
| Other comprehensive expense: | | | | | | | | | | |
| Exchange differences arising on translation | - | - | - | - | (1,887) | - | - | - | - | (1,887) |
| Total comprehensive (expense)/ income for the year | - | - | - | - | (1,887) | - | - | - | 5,608 | 3,721 |
| Repurchase and cancellation of shares (Note 15) | (1) | - | (409) | - | - | - | - | (-)* | - | (410) |
| Equity-settled share-based payments | - | - | - | 8,648 | - | - | - | - | - | 8,648 |
| Final dividend (Note 10) | - | (4,269) | - | - | - | - | - | - | - | (4,269) |
| Proposed final dividend (Note 10) | - | 4,411 | (4,411) | - | - | - | - | - | - | - |
| Transferred to statutory surplus reserve | - | - | - | - | - | - | 519 | - | (519) | - |
| At 31 December 2024 | 1,357 | 4,411 | 217,025 | 9,628 | (4,178) | 240,521 | 55,222 | (-)* | 57,404 | 581,390 |

These reserves accounts comprise the consolidated reserves of approximately RMB585,200,000 (2024: RMB580,033,000) in the consolidated statement of financial position.

* Amount less than RMB1,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 10 December 2015 under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of the Stock Exchange (the “**Listing**”) by way of placing and public offer of shares on 21 July 2017. The registered office of the Company is P.O. Box 1350, Regatta Office Park, Windward 3, Grand Cayman KY1-1108, Cayman Islands. The Company’s principal place of business is at Room 02, 34/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are (i) provision of small loans and related loan facilitation services in the People’s Republic of China (the “**PRC**”); and (ii) provision of investment management and advisory services, securities dealing and broking services and other financial services in Hong Kong. In the opinion of the Directors, the ultimate holding company of the Group is Wealthy Rise Investment Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) which is wholly owned by Mr. Lo Wai Ho (“**Mr. Lo**”), the ultimate controlling shareholder.

2. BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and interpretation issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The consolidated financial statements also comply with applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The functional currency of the Company is Hong Kong dollars (“**HK\$**”). The consolidated financial statements are presented in Renminbi (“**RMB**”) since most of the companies comprising the Group are operating in RMB environment and the functional currency of most of the companies comprising the Group is RMB. All values are rounded to the nearest thousand except when otherwise indicated. The measurement basis used in the preparation of the consolidated financial statements is the historical costs basis.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies applied in the consolidated financial statements for the year ended 31 December 2024 except for the application of certain amendments to HKFRS Accounting Standards that are effective from the current year as set out in Note 3.

During the year ended 31 December 2025, the Directors made the decision to discontinue its finance leasing business which is classified as discontinued operation. Their results for the year and the comparative figures are presented separately as one-line item below net profit of the continuing operations. Further details of the financial information of the discontinued operation are set out in Note 9.

The comparative information of the consolidated statement of comprehensive income has been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period.

HKFRS 18 supersedes HKAS 1 “*Presentation of Financial Statements*”. Requirements in HKAS 1 that are unchanged have been transferred to HKFRS 18 and other HKFRS Accounting Standards. HKFRS 18 is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. The Group is still currently assessing the impact that HKFRS 18 will have on the presentation of and disclosures in the Group’s consolidated financial statements.

4. SEGMENT INFORMATION

HKFRS 8, *Operating Segments*, required identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the chief operating decision maker (the “**CODM**”) of the Group, being the Executive Director, for the purpose of resources allocation and performance assessment.

The Group’s operating and reportable segments under HKFRS 8 are as follows:

- (i) Micro credit and loan facilitation related services – Provision of (a) micro-credit and subordinated mortgage to individuals and corporates; and (b) post loan facilitation related services in the PRC.
- (ii) Securities dealing and broking and other financial services – Provision of securities brokerage, share placing, margin financing and other financial services in Hong Kong.

As disclosed in Notes 2 and 9, the Group decided to cease the finance leasing and factoring related services business, with principal business of provision of (a) direct finance leasing; (b) sale and leaseback; (c) factoring; and (d) related financial advisory services in the PRC, which the management of the Company considered as a separate major line of business of the Group. Accordingly, the entire “finance lease and factoring related services” segment were accounted for as a discontinued operation. Details about the discontinued operation are set out in Note 9. Previously reported figures in respect of certain segment revenue and segment results for the year ended 31 December 2024 have been re-presented to conform with the presentation of segmental information adopted in respect of the current year.

The Group’s operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

| | Continuing operations | | Total <i>RMB'000</i> |
|---|--|---|-------------------------|
| | Micro credit and loan facilitation related services <i>RMB'000</i> | Securities dealing and broking and other financial services <i>RMB'000</i> | |
| For the year ended 31 December 2025 | | | |
| Revenue | | | |
| External income | 91,729 | 508 | 92,237 |
| Segment results | 19,268 | (2,817) | 16,451 |
| Unallocated corporate expenses | | | (8,337) |
| Profit before income tax from continuing operations | | | 8,114 |
| Income tax expense | | | (6,163) |
| Profit for the year from continuing operations | | | 1,951 |
| | | | |
| | Continuing operations | | Total <i>RMB'000</i> |
| | Micro credit and loan facilitation related services <i>RMB'000</i> | Securities dealing and broking and other financial services <i>RMB'000</i> | |
| For the year ended 31 December 2024 (re-presented) | | | |
| Revenue | | | |
| External income | 106,509 | 666 | 107,175 |
| Segment results | 15,665 | (1,415) | 14,250 |
| Unallocated corporate income | | | 147 |
| Unallocated corporate expenses | | | (8,676) |
| Profit before income tax from continuing operations | | | 5,721 |
| Income tax expense | | | (8,006) |
| Loss for the year from continuing operations | | | (2,285) |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit earned by or loss incurred from each segment without allocation of certain other income and other operating expenses and finance costs. This is the measure reported to the CODM of the Company, for the purposes of resources allocation and assessment of segment performance. There were no inter-segment sales for the year.

Segment assets and liabilities

The following is an analysis of the Group's segment assets and segment liabilities by operating and reportable segment:

| | Continuing operations | | Total <i>RMB'000</i> |
|--|--|--|--------------------------------|
| | Micro credit and loan facilitation related services <i>RMB'000</i> | Securities dealing and broking and other financial services <i>RMB'000</i> | |
| As at 31 December 2025 | | | |
| Segment assets | 708,307 | 14,447 | 722,754 |
| Deferred tax assets | | | 29,693 |
| Assets relating to discontinued operation | | | – |
| Tax recoverable | | | 464 |
| Unallocated corporate assets | | | 8,477 |
| Consolidated total assets | | | 761,388 |
| Segment liabilities | 119,650 | 6,991 | 126,641 |
| Bonds payable | | | 27,051 |
| Liabilities relating to discontinued operation | | | – |
| Unallocated corporate liabilities | | | 21,139 |
| Consolidated total liabilities | | | 174,831 |

| | Continuing operations | | |
|--|--|---|-------------------------|
| | Micro credit and loan facilitation related services <i>RMB'000</i> | Securities dealing and broking and other financial services <i>RMB'000</i> | Total <i>RMB'000</i> |
| As at 31 December 2024 (re-presented) | | | |
| Segment assets | 743,145 | 9,772 | 752,917 |
| Deferred tax assets | | | 42,946 |
| Assets relating to discontinued operation | | | 3,852 |
| Unallocated corporate assets | | | 3,434 |
| Consolidated total assets | | | 803,149 |
| Segment liabilities | 162,346 | 2,187 | 164,533 |
| Tax payable | | | 6,516 |
| Bonds payable | | | 28,160 |
| Liabilities relating to discontinued operation | | | 3,792 |
| Unallocated corporate liabilities | | | 18,758 |
| Consolidated total liabilities | | | 221,759 |

For the purpose of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating segments other than deferred tax assets, tax recoverable and unallocated corporate assets, mainly comprising certain right-of-use assets, deposits and other receivables, amount due from a related party and bank balances and cash.
- All liabilities are allocated to operating segments other than bonds payable, tax payable and unallocated corporate liabilities, mainly comprising interest payable of bonds payable, certain lease liabilities, amounts due to related parties and dividend payable.

5. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income is as follows:

| | 2025 RMB'000 | 2024 RMB'000 (re-presented) |
|---|----------------------|-----------------------------------|
| Continuing operations: | | |
| Revenue from contracts with customers within the scope of HKFRS 15 | | |
| <i>Point in time</i> | | |
| – Commission and brokerage income from securities dealing | 81 | 66 |
| <i>Over time (Note (a))</i> | | |
| – Post loan facilitation service income | 453 | 453 |
| – Asset management fee income | – | 57 |
| | <u>534</u> | <u>576</u> |
| Revenue from other sources (<i>Note (b)</i>) | | |
| – Interest income from small loans | 91,276 | 106,056 |
| – Interest income from margin financing | 190 | 257 |
| – Interest income from other loans | 237 | 286 |
| | <u>91,703</u> | <u>106,599</u> |
| Total revenue | <u>92,237</u> | <u>107,175</u> |
| Other income | | |
| Bank interest income | 68 | 138 |
| Gain on early termination of lease | – | 7 |
| Gain on early redemption of bonds payable | – | 7 |
| Gain on early repayment of bank borrowings (<i>Note 14</i>) | 55 | – |
| Gain on non-substantial modification of bonds payable | – | 52 |
| Handling service charges | 32 | 26 |
| Other taxes refund | 1 | 3 |
| Referral fee | 278 | 369 |
| Recovery of bad debts on loan and account receivables, net (<i>Note 7</i>) | 1,573 | 2,826 |
| Sundry income | 35 | 123 |
| | <u>2,042</u> | <u>3,551</u> |

Notes:

- (a) The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligation that have original expected duration of one year or less.
- (b) Interest income was calculated using the effective interest income according to HKFRS 9. All the interest income disclosed in the above came from financial assets not at fair value through profit or loss.

6. FINANCE COSTS

| | 2025 RMB'000 | 2024 RMB'000 (re-presented) |
|-------------------------------|-----------------|-----------------------------------|
| Continuing operations: | | |
| Interest on bank borrowings | 7,956 | 10,230 |
| Interest on lease liabilities | 259 | 278 |
| Interest on bonds payable | 2,239 | 1,972 |
| | <u>10,454</u> | <u>12,480</u> |

7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

| | 2025 RMB'000 | 2024 RMB'000 (re-presented) |
|--|-----------------|-----------------------------------|
| Continuing operations: | | |
| Auditor's remuneration | | |
| – Audit services | 811 | 811 |
| Depreciation charged on: | | |
| – Plant and equipment | 154 | 292 |
| – Right-of-use assets | 1,481 | 1,409 |
| | 1,635 | 1,701 |
| Employee benefit expenses (including Directors' emoluments) | | |
| – Salaries, allowances and benefits in kind | 13,773 | 13,544 |
| – Retirement benefit scheme contributions (<i>Note (a)</i>) | 2,283 | 2,453 |
| – Equity settled share-based payments | 2,455 | 8,490 |
| | 18,511 | 24,487 |
| Referral fee | 1,677 | 3,927 |
| Commission paid | 1,275 | 1,835 |
| Short-term lease expenses | 17 | 156 |
| Foreign exchange difference, net | (83) | (273) |
| Loss on write-off of plant and equipment, net | 3 | 3 |
| Recovery of bad debts of loan and account receivables, net (<i>Note (b)</i>) (<i>Note 5</i>) | <u>(1,573)</u> | <u>(2,826)</u> |

Notes:

- (a) As at 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2024: Nil).
- (b) During the year ended 31 December 2025, the Group received approximately RMB1,785,000 (2024: RMB6,648,000) in relation to the bad debts recognised in previous years, as a result, recovery of bad debts on loan and account receivables was recognised as other income in the consolidated profit or loss.

8. INCOME TAX EXPENSE

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> (re-presented) |
|---|------------------------|--|
| Continuing operations: | | |
| Current tax – PRC Enterprise Income Tax (“EIT”) | | |
| – current year provision | 114 | 7,759 |
| – over-provision in prior years | (5,569) | (5,210) |
| Deferred tax expense, net | <u>11,618</u> | <u>5,457</u> |
| | <u><u>6,163</u></u> | <u><u>8,006</u></u> |

Notes:

- (a) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities in the Group are domiciled and operated.
- (b) 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.
- (c) The PRC EIT is calculated at 25% (2024: 25%) of the estimated assessable profits of subsidiaries operating in the PRC except for two subsidiaries of the Company as mentioned below:

One of the PRC subsidiaries located at Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, is entitled to enjoy a reduced EIT rate at 15% with a validity period from 1 January 2021 to 31 December 2025. Besides, according to the announcement (No. 7 [2023]) on the policy of enhanced pre-tax deductions of research and development expense (“R&D expenses”) expenses, released by the Ministry of Finance in March 2023, 200% of the eligible R&D expenses incurred by this subsidiary are tax-deductible since 2023 (2024: Same).

According to the Notice on Implementing the Policy of Inclusive Tax Relief for Small and Micro Enterprises (“SMEs”), released by the Ministry of Finance in January 2021, qualified SMEs are entitled to effective PRC EIT rate of 5% for first RMB3 million of their annual taxable income with effective period from 1 January 2023 to 31 December 2027. One (2024: one) of the PRC subsidiaries is entitled to the preferential tax rate for the year ended 31 December 2025.

- (d) The Group did not generate any assessable profits arising in Hong Kong for the year ended 31 December 2025 (2024: Nil).

9. DISCONTINUED OPERATION

On 13 August 2025, the Group has decided to cease its finance leasing business, which was being classified as a discontinued operation. Consequently, the results of the finance leasing business for the year have been presented separately as a single line item in the consolidated statement of comprehensive income, details of which are presented below:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|-------------------------------|------------------------|
| Revenue | 4,910 | 138 |
| Other income | 247 | 2,534 |
| Employee benefit expenses | (167) | (1,692) |
| Other operating expenses | (90) | (350) |
| Reversal of ECLs on loan receivables, net | 338 | 10,526 |
| | <hr/> | <hr/> |
| Profit before income tax from a discontinued operation | 5,238 | 11,156 |
| Income tax expense | (1,620) | (3,263) |
| | <hr/> | <hr/> |
| Profit for the year from a discontinued operation | 3,618 | 7,893 |
| | <hr/> <hr/> | <hr/> <hr/> |

Cash flows in the consolidated statement of cash flows that are attributable to operating, investing and financing activities of the discontinued operation are as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|-------------------------------|------------------------|
| Net cash flows from operating activities | 14,342 | 14,172 |
| Net cash flows from investing activities | –* | 2 |
| Net cash flows from financing activities | – | – |
| | <hr/> | <hr/> |
| Net increase in cash and cash equivalents generated by the discontinued operation | 14,342 | 14,174 |
| | <hr/> <hr/> | <hr/> <hr/> |

* Amount less than RMB1,000

The calculation of basic and diluted earnings per share from the discontinued operation are based on:

| | 2025 | 2024 |
|---|--------------------------|--------------------------|
| Profit attributable to equity holders of the Company from the discontinued operation (<i>RMB'000</i>) | <u><u>3,618</u></u> | <u><u>7,893</u></u> |
| Weighted average number of ordinary shares outstanding used in the basic earnings per share calculation (<i>in '000</i>) (<i>Note 11</i>) | <u><u>156,417</u></u> | <u><u>156,499</u></u> |
| Weighted average number of ordinary shares outstanding used in the diluted earnings per share calculation (<i>in '000</i>) (<i>Note 11</i>) | <u><u>167,228</u></u> | <u><u>156,499</u></u> |
| Basic earnings per share | <u><u>2.31 cents</u></u> | <u><u>5.04 cents</u></u> |
| Diluted earnings per share | <u><u>2.16 cents</u></u> | <u><u>5.04 cents</u></u> |

10. DIVIDEND

(a) Dividend attributable to the year

| | 2025 | 2024 |
|---|---------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Final dividend proposed after the end of the reporting period of HK3 cents (2024: HK3 cents) per ordinary share | <u><u>4,232</u></u> | <u><u>4,411</u></u> |

These final dividends have been proposed by the Directors and are subjected to approval by the shareholders in the forthcoming annual general meeting.

Subject to the recommended final dividend being approved by shareholders, the dividend warrants of the recommended final dividend are expected to be dispatched to the shareholders on or before Friday, 26 June 2026.

(b) Dividend attributable to equity holders of the Company attributable to the previous financial year, approved and paid during the year

| | 2025 | 2024 |
|--|---------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Final dividend in respect of the previous financial year of HK3 cents per ordinary share | <u><u>4,411</u></u> | <u><u>4,269</u></u> |

11. EARNINGS/(LOSS) PER SHARE

| | 2025 | 2024 (re-presented) |
|---|-----------------------|------------------------|
| Continuing and discontinued operations: | | |
| Profit attributable to equity holders of the Company (<i>RMB'000</i>) | 5,569 | 5,608 |
| Less: Profit from a discontinued operation (<i>RMB'000</i>) | <u>(3,618)</u> | <u>(7,893)</u> |
| Profit/(loss) attributable to equity holders of the Company from continuing operations (<i>RMB'000</i>) | <u>1,951</u> | <u>(2,285)</u> |
| Weighted average number of ordinary shares in issue excluding treasury shares for the purpose of basic earnings/(loss) per share (<i>in '000</i>) | 156,417 | 156,499 |
| Effect of dilutive potential ordinary shares – share options (<i>in '000</i>) | <u>10,811</u> | <u>–</u> |
| Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share (<i>in '000</i>) | <u>167,228</u> | <u>156,499</u> |

Basic earnings/(loss) per share is calculated by dividing the earnings/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding the treasury shares) during the year.

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2025, the potential dilutive ordinary shares of the Company are share options (2024: share options). The calculation of share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the year ended 31 December 2025, the assumed conversion of potential ordinary shares in relation to the share option has dilutive effect to the basic earnings per share as the average market price of ordinary shares exceeds the exercise price of the share options during the year (2024: the impact of the potential dilutive ordinary shares outstanding had an anti-dilutive effect on the basic loss per share from continuing operations amounts presented for the year).

12. LOAN AND ACCOUNT RECEIVABLES

| | <i>Notes</i> | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|--------------|-------------------------------|------------------------|
| Non-current assets | | | |
| Financial leasing receivables | (a) | – | 300 |
| Small loans receivables | (b) | 218,710 | 272,830 |
| | | 218,710 | 273,130 |
| Less: Allowance for ECLs | | (24,713) | (21,789) |
| | | 193,997 | 251,341 |
| Current assets | | | |
| Financial leasing receivables | (a) | – | 9,890 |
| Small loan receivables | (b) | 561,166 | 529,277 |
| Other loan receivables | (c) | 4,962 | 4,929 |
| Account receivables | (d) | 2,738 | 377 |
| | | 568,866 | 544,473 |
| Less: Allowance for ECLs | | (71,746) | (74,415) |
| | | 497,120 | 470,058 |
| Total loan and account receivables, net | | 691,117 | 721,399 |

Notes:

(a) Financial leasing receivables

For financial leasing receivables, the customers are obliged to settle the amounts according to the terms set out in the relevant contracts, and must acquire the leased assets at the end of the lease period. The period for financial leasing contract are normally ranging from 9 months to 3 years in 2024.

The Group's financial leasing receivables are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rates of the finance leases range from 7.99% to 21.1% per annum as at 31 December 2024.

As at 31 December 2024, the Group's financial leasing receivables with gross carrying amount of approximately RMB10,190,000 were carried at fixed-rates.

As at 31 December 2025, the Group does not hold any financial leasing receivables.

The ageing analysis of financial leasing receivables, determined based on the schedule to repay of the receivables since the effective dates of the relevant lease contracts, as at 31 December 2024, is as follows:

| | Minimum lease payments | | Present value of minimum lease payments | |
|--|------------------------|------------------------|---|------------------------|
| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
| Financial leasing receivables comprise of: | | | | |
| Within one year | – | 9,990 | – | 9,890 |
| More than one year but not exceeding two years | – | 308 | – | 300 |
| | – | 10,298 | – | 10,190 |
| Less: Unearned finance income | – | (108) | | |
| Present value of minimum lease payments | – | 10,190 | | |

Financial leasing receivables are mainly secured by the lessees' deposits, certain guarantees and leased assets which are equipment and machinery used in industries such as manufacturing, telecommunication and information technology, health care service provider and hotel. Additional collateral may be obtained from customers to secure their repayment obligations under financial leasing and such collateral includes vehicle licence. As at 31 December 2024, the financial leasing receivables were collateralised by the leased assets with fair values of approximately RMB3,154,000.

The following is a credit quality analysis of gross financial leasing receivables. In the event that an instalment repayment is overdue, the entire outstanding balance of financial leasing receivables is classified as overdue.

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|-------------------------------------|------------------------|------------------------|
| Neither overdue nor credit-impaired | – | 2,037 |
| Overdue and credit-impaired | – | 8,153 |
| | – | 10,190 |

(b) Small loan receivables

It primarily represented the unsecured micro-credit loans, subordinated mortgage loans and guaranteed loans granted to the customers. The loan periods granted to each of the customers is generally ranging from 6 months to 8 years (2024: 2 months to 8 years). The effective interest rate of the small loans receivables is ranging from 6% to 24% (2024: 8% to 24%) per annum as at 31 December 2025.

At the end of each reporting period, the gross carrying amounts of each of the categories of small loan receivables are as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|------------------------------|------------------------|------------------------|
| Unsecured micro-credit loans | 5,792 | 7,260 |
| Subordinated mortgage loans | 283,005 | 400,613 |
| Guaranteed loans | 491,079 | 394,234 |
| | <u>779,876</u> | <u>802,107</u> |

As at 31 December 2025, subordinated mortgage loan receivables were secured by real estates with fair values (after netting off the amount of first mortgage) of approximately RMB802,942,000 (2024: RMB1,177,394,000).

The ageing analysis of gross small loan receivables, determined based on the schedule to repay of receivable since the effective dates of relevant loan contracts, as at the end of the reporting period, is as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|----------------|------------------------|------------------------|
| 0 to 30 days | 119,953 | 121,462 |
| 31 to 90 days | 93,969 | 87,658 |
| 91 to 365 days | 347,244 | 320,157 |
| Over 365 days | 218,710 | 272,830 |
| | <u>779,876</u> | <u>802,107</u> |

The following is a credit quality analysis of gross small loan receivables. In the event that an instalment repayment is overdue, the entire outstanding balance of small loan receivables is classified as overdue.

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|-------------------------------------|------------------------|------------------------|
| Neither overdue nor credit-impaired | 677,968 | 692,375 |
| Overdue but not credit-impaired | | |
| – overdue within 30 days | 9,013 | 14,213 |
| – overdue within 31 to 90 days | 6,738 | 11,048 |
| Overdue and credit-impaired | 86,157 | 84,471 |
| | <u>779,876</u> | <u>802,107</u> |

(c) **Other loan receivables**

It represented an unsecured loan with a principal amount of HK\$9,000,000 (equivalent to approximately RMB7,716,000) granted to an independent third party on 8 March 2022.

The ageing analysis of gross other loan receivables, determined based on the schedule to repay of receivable since the effective dates of relevant loan contracts, as at the end of the reporting period, is as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------|------------------------|------------------------|
| 31 to 90 days | <u>4,962</u> | <u>4,929</u> |

The following is a credit quality analysis of gross other loan receivables. In the event that an instalment repayment is overdue or rolled over without settlement of the full original principal amount of the loan, if any, the entire outstanding balance of other loan receivables would be classified as overdue.

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|-----------------------------|------------------------|------------------------|
| Overdue and credit-impaired | <u>4,962</u> | <u>4,929</u> |

(d) **Account receivables**

Balances comprise receivables in respect of securities dealing and broking services and asset management services, represented as follows:

| | <i>Notes</i> | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---|--------------|------------------------|------------------------|
| Account receivables from securities dealing and broking services: | | | |
| – Hong Kong Securities Clearing Company Limited (“HKSCC”) | (i) | 1,761 | 121 |
| – Margin clients | | <u>921</u> | <u>198</u> |
| | | 2,682 | 319 |
| Account receivables from asset management services | (ii) | <u>56</u> | <u>58</u> |
| | | 2,738 | 377 |
| Less: Allowance for ECLs | | <u>(56)</u> | <u>–</u> |
| | | <u>2,682</u> | <u>377</u> |

Notes:

- (i) Account receivables from cash clients and securities clearing houses arising from securities dealing business are repayable on demand subsequent to the settlement date. The normal settlement terms of said account receivables are, in general, two days after trade date. The Group allows a credit period mutually agreed with the contracting parties for account receivables from margin clients.

No ageing analysis by invoice date is disclosed for account receivables from securities dealing business as, in the opinion of the Company, an ageing analysis is not meaningful in view of the business nature.

Account receivables of securities margin clients are secured by the clients' pledged securities with fair value of approximately RMB48,507,000 (2024:1,753,000) as at 31 December 2025. All of the pledged securities are equity and debt securities listed in Hong Kong and overseas. The account receivables of securities margin clients are repayable on demand subsequent to settlement date and carrying interest typically ranged from 6% to 12% and Hong Kong Prime rate to Hong Kong Prime rate +7% (2024: Same) per annum as at 31 December 2025. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owned by the margin clients.

- (ii) Balances comprise receivables in respect of asset management services. No credit period is granted and the payment is generally due upon the issuance of demand notes.

The ageing analysis of gross account receivables from asset management services, determined based on the date of recognition of revenue, as at the end of the reporting period, is as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------|-------------------------------|------------------------|
| 0 to 30 days | – | 58 |
| Over 365 days | <u>56</u> | <u>–</u> |
| | <u>56</u> | <u>58</u> |

The following is a credit quality analysis of gross account receivables from asset management services.

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|---------------------------------|-------------------------------|------------------------|
| Overdue but not credit-impaired | – | 58 |
| Overdue and credit-impaired | <u>56</u> | <u>–</u> |
| | <u>56</u> | <u>58</u> |

Except for receivables from margin clients, the Group does not hold any collateral or other credit enhancements over these balances.

13. ACCOUNT PAYABLES

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|----------------|------------------------|------------------------|
| HKSCC | –* | 242 |
| Cash clients | 2,312 | 449 |
| Margin clients | 3,915 | 697 |
| | <u>6,227</u> | <u>1,388</u> |

* Amount less than RMB1,000

Account payables arising from securities dealing business are interest-free and repayable on the settlement day of the relevant trades.

The normal settlement terms of account payables to cash clients and securities clearing house are two days after trade date.

Account payables to HKSCC, margin clients and cash clients are repayable on demand after settlement date. No ageing analysis is disclosed as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of this business.

14. BANK BORROWINGS

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|-----------------------------|------------------------|------------------------|
| Bank borrowings – secured*: | | |
| Within one year | 100,168 | 142,293 |
| | <u>100,168</u> | <u>142,293</u> |

* The amounts due are based on scheduled repayment dates set out in the respective loan agreements.

The amounts of banking facilities and the utilisation at the end of each reporting period are set out as follows:

| | 2025 <i>RMB'000</i> | 2024 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Facilities amount | 100,000 | 142,000 |
| | <u>100,000</u> | <u>142,000</u> |
| Utilisation at the end of the reporting period | | |
| – Bank borrowings | 100,000 | 142,000 |
| | <u>100,000</u> | <u>142,000</u> |

As at 31 December 2025, the Group had one (2024: one) bank borrowing with principal amount of approximately RMB100,000,000 (2024: RMB100,000,000) and repayable in March and April 2026 (2024: in May 2025). As at 31 December 2025, the borrowing carried variable interest rates at the loan prime rate (“LPR”) offered by the People’s Bank of China (the “PBOC”) +2.40% (2024: +4.05%) and the effective interest rate was 5.58% (2024: 7.36%) per annum. The bank borrowing was secured by charges over one property with fair value of approximately RMB79,278,000 (2024: RMB79,278,000) (which are jointly owned by Mr. Lo and his spouse), one property with fair value of approximately RMB31,891,000 (2024: RMB31,891,000) (which is owned by Mr. Lu Qing Ming, nephew of Mr. Lo) and jointly guaranteed by a related company, which Mr. Lu, Mr. Lo’s sibling is the controlling shareholder and Mr. Lu, with an aggregate amount up to RMB100,000,000 (2024: RMB100,000,000).

The outstanding bank borrowing of approximately RMB100,220,000 as at 31 December 2024 has been early settled during the year ended 31 December 2025. As a result, a gain on early repayment of approximately RMB55,000 was recognised to the consolidated profit or loss.

As at 31 December 2024, the Group had another bank borrowing with principal amount of approximately RMB42,000,000) and was repayable in September 2025. As at 31 December 2024, the borrowing carried a variable interest rate at LPR offered by PBOC +2.65% and the effective interest rates was 5.98% per annum. The borrowing was secured by charges over one property with fair value of approximately RMB63,270,000 (which is owned by Mr. Lo's spouse) and jointly guaranteed by, an indirectly wholly-owned subsidiary of the Company, Shenzhen Wealthy Way Investment Holdings Company Limited and Mr. Lo. During the year ended 31 December 2025, the Group has settled the outstanding amount of the bank borrowing in full prior to the final repayment date, the collateral and guarantee were released upon the full settlement of the bank borrowing.

The bank borrowings with carrying amount of approximately RMB100,168,000 (2024: RMB142,293,000) are subject to the fulfilment of covenants. The Group regularly monitors its compliance with these covenants. As at 31 December 2025, none of these covenants had been breached (2024: Same). There are no indications that the group entity would have difficulties complying the covenants when they will be next tested at the next reporting date.

15. SHARE CAPITAL

| | Number of ordinary shares | Amount HK\$'000 |
|---|--------------------------------------|---------------------------|
| Ordinary shares of HK\$0.01 of each | | |
| Authorised: | | |
| At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025 | 20,000,000,000 | 200,000 |
| | Number of ordinary shares | Amount RMB'000 |
| Issued and fully paid: | | |
| At 1 January 2024 | 156,583,000 | 1,358 |
| Repurchase and cancellation of shares (<i>Note</i>) | (126,000) | (1) |
| At 31 December 2024 and 1 January 2025 | 156,457,000 | 1,357 |
| Cancellation of shares (<i>Note</i>) | (40,000) | (-)* |
| At 31 December 2025 | 156,417,000 | 1,357 |

* Amount less than RMB1,000

Note: During the year ended 31 December 2024, the Company repurchased 166,000 of its ordinary shares from the market, out of which, 126,000 ordinary shares had been cancelled and the remaining 40,000 ordinary shares were included in treasury shares as at 31 December 2024. During the year ended 31 December 2025, the remaining treasury shares had been fully cancelled.

The shares were repurchased at prices ranging from HK\$2.76 to HK\$2.99 per ordinary share, with an average price of HK\$2.92 per share during the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The macro environment in the PRC was still subject to many uncertainties in the 2025. In China, the economy is still in the process of adjustment. In the said reporting period, revenue of the Group was mainly derived from loans interest income which accounted for approximately RMB91.7 million about 94.4% of the total revenue RMB97.1 million of the Group.

In 2025, the Company adjusted its business strategy in response to the economic environment, and the Company had focus on the small loan business and allocated most of the resource in the business development of the second mortgages product. In 2025, the market situation of the real estate industry had changed seriously, the average price of second-hand real estate was in the trend of going down which required the Company be more careful in the operation and risk management. Based on the relevant policy changes, the Company had adjusted business strategies in relation to our small loan business, so as to maintenance our share in Shenzhen's second mortgage loan market. There have been significant declines in the revenue of our financial leasing and factoring business. the Company has decided to re-allocate the resources in this business and to explore business development opportunities in supply chain business, initially with focus on supply and trading of building materials. The Company has appointed Mr. Xie Zhuochou as the legal representative of our wholly-owned subsidiary spearheading the new business initiative. We consider that his diverse experience and proven leadership capability make him well-suited to lead the Company's new business, ensuring prudent development and effective risk management in this venture. Mr. Xie will be primarily responsible for the overall management and market development of our supply chain business. With our Group's strong financial backing, we believe the new business will bring value to our Company and its shareholders. The Group's securities dealing business mainly refers to the provision of securities dealing services to customers in Hong Kong through Grand Partners Securities Limited, a wholly-owned subsidiary of the Company.

The management will continue to pay attention to the impact of relevant factors on our business operations and enhance relevant risk management measures. The provision of small loans to individual customers and other small private companies will allow us to expand our customer base. The Group will also provide flexible financing services to potential customers of different sizes in various industries.

General information of the small loan business

The small loan business is Company's core business. It contribute RMB91.3 million out of the total revenue RMB97.1 million, about 94.0% of the total revenue of the Company. The Company provided small loan service through our wholly-owned subsidiary Shenzhen Haosen Credit Joint Stock Limited ("**Shenzhen Haosen**"). Shenzhen Haosen had been providing loan services to customers with flexible terms through quick and comprehensive loan assessment and approval processes to support their continued development and address their liquidity needs. Our customer base primarily consists of customers engaged in the industry of manufacturing, wholesale and retail, construction and transportation.

The following table sets out the number of our loans by size as at the dates indicated:

| | As at 31 December 2025 | As at 31 December 2024 |
|---|---------------------------------------|------------------------------|
| Over RMB5 million | 48 | 36 |
| Over RMB3 million to RMB5 million (inclusive) | 10 | 15 |
| Over RMB1 million to RMB3 million (inclusive) | 49 | 70 |
| Over RMB500,000 to RMB1 million (inclusive) | 139 | 221 |
| Up to RMB500,000 | 448 | 580 |
| | <hr/> | <hr/> |
| Total number of loans to customers | 694 | 922 |
| | <hr/> <hr/> | <hr/> <hr/> |

As at 31 December 2025, the maximum loan amount of approximately 84.6% (31 December 2024: 86.9%) of loan contracts were limited to RMB1 million. Among our loan contracts, the higher proportion of loans with amount limited to RMB1 million was mainly due to the fact that we target to serve individuals and micro enterprises in the industry of manufacturing, wholesale and retail, construction and transportation, etc., the loan amounts generally lower.

Some of the customers have more than one loan agreement with the Company. As at 31 December 2025, the number of customers is 558 (31 December 2024: 851).

The following table sets out our loans to customers by type of security as at the dates indicated:

| | As at 31 December 2025 RMB'000 | As at 31 December 2024 RMB'000 |
|------------------------------|---|---|
| Unsecured micro-credit loans | 5,792 | 7,260 |
| Guaranteed loans | 491,079 | 394,234 |
| Subordinated mortgage loans | 283,005 | 400,613 |
| | <hr/> | <hr/> |
| Total | 779,876 | 802,107 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following table sets our loans to customers by loan amount as the dates indicated:

| | As at 31 December 2025 RMB'000 | As at 31 December 2024 RMB'000 |
|---|---|---|
| Over RMB5 million | 444,938 | 338,897 |
| Over RMB3 million to RMB5 million (inclusive) | 40,682 | 56,624 |
| Over RMB1 million to RMB3 million (inclusive) | 77,237 | 104,575 |
| Over RMB500,000 to RMB1 million (inclusive) | 96,418 | 155,275 |
| Up to RMB500,000 | 120,601 | 146,736 |
| | <hr/> | <hr/> |
| Total loan amount | 779,876 | 802,107 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following table sets out the original maturity profile of our loans as at the dates indicated:

| | As at 31 December 2025 RMB'000 | As at 31 December 2024 RMB'000 |
|----------------|---|---|
| 0 to 30 days | 119,953 | 121,462 |
| 31 to 90 days | 93,969 | 87,658 |
| 91 to 365 days | 347,244 | 320,157 |
| Over 365 days | 218,710 | 272,830 |
| | <hr/> | <hr/> |
| | 779,876 | 802,107 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following table sets out the credit quality analysis of our loans to customers. In the event that an instalment repayment is overdue, the entire outstanding balance of small loan receivables is classified as overdue.

| | As at 31 December 2025 RMB'000 | As at 31 December 2024 RMB'000 |
|-------------------------------------|---|---|
| Neither overdue nor credit-impaired | 677,968 | 692,375 |
| Overdue but not credit-impaired | | |
| – Overdue within 30 days | 9,013 | 14,213 |
| – Overdue within 31 to 90 days | 6,738 | 11,048 |
| Overdue and credit-impaired | 86,157 | 84,471 |
| | 779,876 | 802,107 |

Impairment loss on loan receivables

As at 31 December 2025. The total loan receivables which only include small loan business is RMB779.9 million (31 December 2024: RMB802.1 million). The total outstanding principal amounts of the ten largest loan receivables which only include small loan business, are approximately RMB151.0 million (31 December 2024: RMB167.8 million), about 19.2% (31 December 2024: 20.5%) of the total loan receivables. The allowance for impairment losses of the ten largest loan receivables is RMB0.4 million (31 December 2024: RMB1.6 million) which the total allowance for impairment losses on loan receivables is RMB96.4 million (31 December 2024: RMB96.2 million). The Company performed impairment assessment in the end of the Reporting Period under the ECL model which required by HKFRS 9.

The following table sets out the allowance for ECLs on small loan receivables are as follows:

| | 12-m ECL <i>RMB'000</i> | Lifetime ECL – not credit- impaired <i>RMB'000</i> | Lifetime ECL – credit- impaired <i>RMB'000</i> | Total <i>RMB'000</i> |
|---|-----------------------------------|--|--|--------------------------------|
| As at 1 January 2024 | 8,704 | 1,705 | 60,309 | 70,718 |
| Bad debts written-off | – | – | (42,134) | (42,134) |
| Transfer to Lifetime ECL – not credit-impaired | (234) | 234 | – | – |
| Transfer to Lifetime ECL – credit-impaired | (2,139) | (1,608) | 3,747 | – |
| Net re-measurement of loss allowance | <u>4,551</u> | <u>9,297</u> | <u>45,582</u> | <u>59,430</u> |
| As at 31 December 2024 and 1 January 2025 | 10,882 | 9,628 | 67,504 | 88,014 |
| Bad debts written-off | – | (204) | (39,749) | (39,953) |
| Transfer to Lifetime ECL – not credit-impaired | (216) | 216 | – | – |
| Transfer to Lifetime ECL – credit-impaired | (1,523) | (7,853) | 9,376 | – |
| Net re-measurement of loss allowance | <u>3,371</u> | <u>6,043</u> | <u>36,343</u> | <u>45,757</u> |
| As at 31 December 2025 | <u><u>12,514</u></u> | <u><u>7,830</u></u> | <u><u>73,474</u></u> | <u><u>93,818</u></u> |

During the year ended 31 December 2025, gross carrying amount of small loan receivables amounted to approximately RMB53,185,000 (2024: RMB43,016,000) were written off as bad debts because these were overdue for 1 year or above which are still subject to enforcement activities. The respective allowance for ECLs has been reversed and the remaining balance is charged to profit or loss directly.

The following table sets out the principal amount outstanding and the allowance of impairment losses about the ten largest loan receivables as at 31 December 2025.

| No. | Counter party | Status | Loan Type | Principal amount outstanding <i>RMB'000</i> | Allowance for impairment losses <i>RMB'000</i> |
|------------|----------------------|---------------|------------------|---|--|
| 1 | Relevant Party A | Normal | Small loan | 33,300 | – |
| 2 | Relevant Party B | Normal | Small loan | 14,400 | 65 |
| 3 | Relevant Party C | Normal | Small loan | 14,400 | 65 |
| 4 | Relevant Party D | Normal | Small loan | 14,400 | 65 |
| 5 | Relevant Party E | Normal | Small loan | 14,000 | 20 |
| 6 | Relevant Party F | Normal | Small loan | 12,550 | 35 |
| 7 | Relevant Party G | Normal | Small loan | 12,000 | 18 |
| 8 | Relevant Party H | Normal | Small loan | 12,000 | 21 |
| 9 | Relevant Party I | Normal | Small loan | 12,000 | 22 |
| 10 | Relevant Party J | Normal | Small loan | 11,900 | 53 |
| | | Total | | 150,950 | 364 |

To the best knowledge of the Directors after making all reasonable enquiries, the counterparties of above ten largest loan receivables are independent third parties of the Company.

As at 31 December 2025, the Company has recognised RMB96.4 million as the allowance for impairment losses on loan receivables. There are 8 material loans in respect of which the amount of allowance for impairment losses is more than RMB1 millions. The total carrying amount of allowance for impairment of these 8 loans is approximately RMB14.0 million. These 8 loans involved 8 agreements with respectively 8 customers which consisted overdue and credit-impaired loan receivables (each, the “**Overdue and Credit-impaired Agreement**”, collectively, the “**Overdue and Credit-impaired Agreements**”). The Overdue and Credit-impaired Agreements are 90 days past due. The Company has also seized the security deposit collected in relation to the Overdue and Credit-impaired Agreements. To the best knowledge of the Directors after making all reasonable enquiries, the counterparties to the Overdue and Credit-impaired Agreements are independent third parties and the Overdue and Credit-impaired Agreements have no bearing on the related parties of the Company. A breakdown of the amount outstanding, the allowance for impairment losses recognised as at 31 December 2025 in respect of such Overdue and Credit-impaired Agreements are as follows:

| No. | Counter party | Status | Loan type | Amount | Allowance for |
|-----|------------------|-----------------------------|------------|----------------|----------------|
| | | | | outstanding | impairment |
| | | | | <i>RMB'000</i> | <i>RMB'000</i> |
| 1 | Relevant Party K | Overdue and credit-impaired | Small loan | 3,921 | 3,921 |
| 2 | Relevant Party L | Overdue and credit-impaired | Small loan | 1,754 | 1,754 |
| 3 | Relevant Party M | Overdue and credit-impaired | Small loan | 1,764 | 1,564 |
| 4 | Relevant Party N | Overdue and credit-impaired | Small loan | 1,850 | 1,546 |
| 5 | Relevant Party O | Overdue and credit-impaired | Small loan | 1,297 | 1,297 |
| 6 | Relevant Party P | Overdue and credit-impaired | Small loan | 1,268 | 1,231 |
| 7 | Relevant Party Q | Overdue and credit-impaired | Small loan | 1,121 | 1,121 |
| 8 | Relevant Party R | Overdue and credit-impaired | Small loan | 1,010 | 1,000 |
| | | Total | | 13,985 | 13,434 |
| | | | | 13,985 | 13,434 |

Relevant Party K

The Company entered into a loan agreement with Relevant Party K in September 2024 with a principal amount of RMB4.5 million. However, Relevant Party K has defaulted in payment since November 2025. In December 2025, the Company commenced legal proceedings against Relevant Party K. As of 31 December 2025, the case was still in the litigation phase. As the Company is of the opinion that Relevant Party K is unlikely to repay its credit obligations to the Group in full, an allowance of impairment loss of approximately RMB3.9 million was recognised at the end of the Reporting Period under the expected credit loss model.

Relevant Party L

The Company entered into a loan agreement with Relevant Party L in June 2025 with a principal amount of RMB16 million. Relevant Party L has defaulted in payment since August 2025. In September 2025, the Company commenced legal proceedings against Relevant Party L. As of 31 December 2025, the case was still in litigation phase. As the financial asset is 90 days past due, an allowance of impairment loss of approximately RMB1.8 million was recognised at the end of the Reporting Period under the expected credit loss model.

Relevant Party M

The Company entered into a loan agreement with Relevant Party M in November 2022 with a principal amount of RMB2.0 million. Relevant Party M has defaulted in payment since April 2025. In May 2025, the Company commenced legal proceedings against Relevant Party M. Since then, the Company has been in continuous negotiation with Relevant Party M for the settlement of the outstanding debt. As of 31 December 2025, the case was still in the litigation phase and the amount outstanding was RMB1.8 million. As the financial asset is 90 days past due, an allowance of impairment loss of approximately RMB1.6 million was recognised at the end of the Reporting Period under the expected credit loss model.

Relevant Party N

The Company entered into a loan agreement with Relevant Party N in May 2023 with a principal amount of RMB2.0 million. Relevant Party N has defaulted in payment since January 2025. In February 2025, the Company commenced legal proceedings against Relevant Party N. Since then, the Company has been in continuous negotiation with Relevant Party N for the settlement of the outstanding debt. In May 2025, a judgment was awarded in favour of the Company. As of 31 December 2025, the amount outstanding was RMB1.9 million. As the financial asset is 90 days past due, an allowance of impairment loss of approximately RMB1.5 million was recognised at the end of the Reporting Period under the expected credit loss model.

Relevant Party O

The Company entered into a loan agreement with Relevant Party O in October 2023 with a principal amount of RMB1.5 million. Relevant Party O has defaulted in payment since June 2025. In July 2025, the Company commenced legal proceedings against Relevant Party O. Since then, the Company has been in continuous negotiation with Relevant Party O for the settlement of the outstanding debt. As of 31 December 2025, the case was still in litigation phase and the amount outstanding was RMB1.3 million. As the financial asset is 90 days past due, an allowance of impairment loss of approximately RMB1.3 million was recognised at the end of the Reporting Period under the expected credit loss model.

Relevant Party P

The Company entered into a loan agreement with Relevant Party P in July 2023 with a principal amount of RMB1.8 million. Relevant Party P has defaulted in payment since May 2024. In July 2024, the Company commenced legal proceedings against Relevant Party P. Since then, the Company has been in continuous negotiation with Relevant Party P for the settlement of the outstanding debt. As of 31 December 2025, the amount outstanding was RMB1.3 million. As the financial asset is 90 days past due, an allowance of impairment loss of approximately RMB1.2 million was recognised at the end of the Reporting Period under the expected credit loss model.

Relevant Party Q

The Company entered into a loan agreement with Relevant Party Q in July 2023 with a principal amount of RMB1.5 million. Relevant Party Q has defaulted in payment since July 2025. In September 2025, the Company commenced legal proceedings against Relevant Party Q. Since then, the Company has been in continuous negotiation with Relevant Party Q for the settlement of the outstanding debt. As of 31 December 2025, the amount outstanding was RMB1.1 million. As the financial asset is 90 days past due, an allowance of impairment loss of approximately RMB1.1 million was recognised at the end of the Reporting Period under the expected credit loss model.

Relevant Party R

The Company entered into a loan agreement with Relevant Party R in June 2023 with a principal amount of RMB1.2 million. Relevant Party R has defaulted in payment since March 2025. In April 2025, the Company commenced legal proceedings against Relevant Party R. Since then, the Company has been in continuous negotiation with Relevant Party R for the settlement of the outstanding debt. As of 31 December 2025, the amount outstanding was RMB1.0 million. As the financial asset is 90 days past due, an allowance of impairment loss of approximately RMB1.0 million was recognised at the end of the Reporting Period under the expected credit loss model.

FINANCIAL REVIEW

The following discussion and analysis pertains to the financial information of the Group.

Continuing operations

Revenue

The Group's revenue was derived from (i) interest income from small loans and other loans; (ii) commission and brokerage income from security dealing; (iii) interest income from margin financing; and (iv) management fee income from asset management services.

The revenue recorded an decrease of approximately RMB15.0 million, or approximately 13.9%, from approximately RMB107.2 million for the year ended 31 December 2024 to approximately RMB92.2 million for the year ended 31 December 2025.

The Group provided loan facilitation service which contributed approximately RMB0.5 million to the revenue for the year ended 31 December 2025 (2024: approximately RMB0.5 million).

The Group also derived interest income from small loans through a wholly-owned subsidiary, Shenzhen Haosen, contributing at aggregate of approximately RMB91.3 million (2024: approximately RMB106.1 million) which decreased by approximately RMB14.8 million, or approximately 13.9%. The Group also recorded commission and brokerage income from security dealing contributing approximately RMB0.1 million (2024: approximately RMB0.1 million), while the interest income from margin financing also contributed approximately RMB0.2 million (2024: approximately RMB0.3 million) from our wholly-owned subsidiary, Grand Partners Securities Limited, for the year ended 31 December 2025.

Other income

Income decreased by approximately RMB1.6 million, or approximately 42.5%, from approximately RMB3.6 million for the year ended 31 December 2024 to approximately RMB2.0 million for the year ended 31 December 2025, mainly due to an approximately RMB1.3 million decrease in recovery of bad debts on loan and account receivables.

Employee benefit expenses

Employee benefit expenses included primarily employee salaries and costs associated with other benefits. The employee benefit expenses decreased by approximately RMB6.0 million, or approximately 24.4%, from approximately RMB24.5 million for the year ended 31 December 2024 to approximately RMB18.5 million for the year ended 31 December 2025 due to share options granted during the year ended 31 December 2024 as disclosed in the Company's announcement dated on 23 April 2024.

Other operating expenses

Other operating expenses mainly consisted of (i) audit fee of approximately RMB0.8 million (2024: approximately RMB0.8 million); (ii) commission fee of approximately RMB1.3 million (2024: approximately RMB1.8 million) which mainly comprised service charge of loan collection of approximately RMB0.7 million (2024: approximately RMB0.4 million) in relation to the small loan business; (iii) legal and professional fee of approximately RMB2.1 million (2024: approximately RMB1.8 million) (iv) referral fee of approximately RMB1.7 million (2024: approximately RMB 3.9 million).

Finance costs

The finance costs decreased by approximately RMB2.0 million, or approximately 16.2%, from approximately RMB12.5 million for the year ended 31 December 2024 to approximately RMB10.5 million for the year ended 31 December 2025 mainly due to the decrease of interest on bank borrowings.

Profit for the year attributable to equity holders of the Company

As a result of above, profit for the year attributable to equity holders of the Company for the year ended 31 December 2025 was approximately RMB5.6 million, whereas profit for the year ended 31 December 2024 was approximately RMB5.6 million, mainly due to (i) the allowance for ECLs on loan and account receivables of approximately RMB46.8 million (2024: RMB59.3 million); (ii) employee benefit expenses of approximately RMB18.5 million (2024: RMB24.5 million) as the Company granted a total of 15,000,000 share options to certain employees during the year ended 31 December 2024; and (iii) deferred tax expense of approximately RMB11.6 million (2024: RMB5.5 million).

Dividend

The Board recommends the payment of a final dividend HK3 cents per share to shareholders of the Company for the year ended 31 December 2025 (2024: HK3 cents per share). Subject to the recommended final dividend being approved by the shareholders, the dividend warrants of the recommended final dividend are expected to be despatched to the shareholders on or before Friday, 26 June 2026.

Liquidity, financial resources and capital resources

As at 31 December 2025, the cash and cash equivalents were approximately RMB30.6 million (2024: approximately RMB32.0 million). The working capital (current assets less current liabilities) and the total equity of the Group were approximately RMB361.0 million (2024: approximately RMB284.7 million) and approximately RMB586.6 million (2024: approximately RMB581.4 million), respectively.

As at 31 December 2025, the Group's bank borrowings with maturity within one year amounted to approximately RMB100.2 million (2024: approximately RMB142.3 million) and there was no Group's bank borrowings exceed one year (2024: Nil).

Gearing ratio (total bank borrowings/total equity) as at 31 December 2025 was approximately 17.1% (2024: approximately 24.5%).

Loan and account receivables

Loan and account receivables consisted of (i) small loan receivables; (ii) account receivables in respect of securities dealing and broking services, and asset management services; and (iii) other loan receivables. As at 31 December 2025, the loan and account receivables were approximately RMB691.1 million (2024: approximately RMB721.4 million), and this decrease was mainly due to the decrease in small loan receivables.

Capital commitments

As at 31 December 2025, the Group had no capital commitments contracted but not provided for (2024: Nil).

Employees and remuneration policy

As at 31 December 2025, the Group employed 61 full time employees (2024: 71) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately RMB18.5 million for the year ended 31 December 2025 (2024: approximately RMB24.5 million). The Group recognises the importance of retaining high calibre and competent staff and continues to provide remuneration packages and incentives to employees with reference to the performance of the Group, the performance of individuals and prevailing market rates. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company. Share award scheme has also been adopted and awarded shares will be granted to eligible employees of the Group in accordance with the terms of the share award scheme.

Discontinued operation

As mentioned above, the financial results of the finance leasing business has been classified as discontinued operation and the prior year comparative results have been represented throughout the consolidated financial statements. A profit of approximately RMB3.6 million was recognised for the year ended 31 December 2025 and a profit of approximately RMB7.9 million was recognised for 31 December 2024, the decrease is mainly due to the combined effects of (i) reversal of ECL made on the financial leasing receivables of approximately RMB10.5 million for the year ended 31 December 2024; (ii) interest income of approximately RMB4.9 million resulted from receipts of default interests from the recovered loan receivables during the year ended 31 December 2025; and (iii) decrease in staff costs and other operating expenses incurred resulting from cessation of business during the year ended 31 December 2025.

RISK MANAGEMENT

The Group's business operations are conducted in the financial leasing market and small-loan market in the PRC. Accordingly, the Group's business, financial position, results of operations and prospects are significantly affected by economic, political and legal developments in the PRC.

Being a financial service provider, the Group has implemented a risk management system to mitigate the risks arising from its daily operations. The risk management structure of the Group consists of the risk control committee at the top, under which are (i) the risk management department, (ii) the business development department, and (iii) the accounting and finance department. Potential business opportunities are assessed by the business development department based on the potential customer's background, credit records, financial position and the underlying assets. The risk management department reviews all given information meticulously and considers relevant risk factors. Where necessary, external legal advisors may be engaged to evaluate potential legal issues. The Group's accounting and finance department also works closely with the risk management department to assist in risk assessment by providing financial and tax opinions. The risk control committee as the final decision maker has the ultimate authority to approve each project. The Group also periodically conducts post-leasing management on the customers and monitors financial leasing receivables to review the ongoing risk exposure of the Group.

The Directors take both macro and micro economic conditions into account before making business decisions. The Group has taken closer monitoring to assess risks of existing customers to respond to the fast changing market. Moreover, given the recent volatility in the economy and financial market of the PRC, the Group has been more prudent in the selection of high-quality customers. The Group will continue to raise its risk management standards with better allocation of resources and fine-tuning its operational process, such as the introduction of credit assessment and approval procedures, to enhance the customer selection process.

In addition, the Group intends to improve the information technology system to assist in the collection of information with better accuracy and the review of the financial and operational status of the customers with better efficiency. The Group will also continue to expand the risk management team to handle the additional work arising from our expanding business operations, and allocate sufficient manpower to maintain an appropriate risk reward balance.

SHARE OPTION SCHEME

The Company had one share option scheme which remained valid and effective during the year ended 31 December 2025, namely, the “**2023 Share Option Scheme**” (which was adopted by the Company at the extraordinary general meeting held on 30 June 2023). The Board may, at its absolute discretion, grant options to any Eligible Participant (as defined below) to subscribe for ordinary shares of HK\$0.01 in the Company (the “**Shares**”), subject to the terms and conditions stipulated therein. The exercise price must be in compliance with the requirements under the Listing Rules. In addition, the options must be held by the grantee for at least 12 months before the options can be exercised, subject to the terms and conditions of the “2023 Share Option Scheme”, and the exercise period of the options shall not exceed 10 years from the date of the offer of the grant of the options.

Previously, the Company had another share option scheme which was adopted by the Company on 19 June 2017 (the “**2017 Share Option Scheme**”). The 2017 Share Option Scheme was terminated on 30 June 2023 and no further options can be granted under this scheme, but the options granted prior to such termination continue to be valid and exercisable in accordance with the provisions of the “2017 Share Option Scheme”.

The total number of options and awards available for grant under the scheme mandate limit of the 2023 Share Option Scheme and the 2023 Share Award Scheme (as defined below) (together, the “**Share Schemes**”) as at 1 January 2025 and 31 December 2025 were 2,158,300 and 3,658,300, respectively. The total number of options and awards available for grant under the service providers sub-limit of the Share Schemes as at 1 January 2025 and 31 December 2025 were both 1,565,830.

The total number of outstanding options under the 2017 Share Option Scheme as at 1 January 2025 and 31 December 2025 were 2,725,000 and 2,543,000, respectively. The total number of outstanding options under the 2023 Share Option Scheme as at 1 January 2025 and 31 December 2025 were 13,500,000 and 12,000,000, respectively.

Details of the movement of share options granted under the 2017 Share Option Scheme during the year ended 31 December 2025 are as follows:

| Name of grantee(s) | Date of grant | Exercise price per share | Closing price before the date of grant of share options | Exercise period | Vesting period | Balance | Granted | Exercised | Lapsed/ forfeited | Balance | Approximate |
|---|---------------------|-----------------------------|---|------------------------------------|----------------|----------------------------|--|--|--|------------------------------|--|
| | | | | | | as at 1 January 2025 | during the period ended 31 December 2025 | during the period ended 31 December 2025 | during the period ended 31 December 2025 | as at 31 December 2025 | percentage of issued share capital as at 31 December 2025 |
| <i>(Note 1)</i> | | | | | | | | | | | |
| Director of the Company or its subsidiaries | | | | | | | | | | | |
| Wu Jiaqi | 14 December 2022 | HK\$5.93 | HK\$5.92 | 14 December 2022–14 May 2026 | N/A | 1,553,000 | - | - | - | 1,553,000 | 0.99% |
| Wan Tingting | 14 December 2022 | HK\$5.93 | HK\$5.92 | 14 December 2022–14 May 2026 | N/A | 79,000 | - | - | - | 79,000 | 0.05% |
| Other employees of the Company or its subsidiaries or other eligible participants under the 2017 Share Option Scheme | | | | | | | | | | | |
| Other employees of the Company or its subsidiaries | 14 December 2022 | HK\$5.93 | HK\$5.92 | 14 December 2022–14 May 2026 | N/A | 1,093,000 | - | - | (182,000) | 911,000 | 0.58% |
| Total | | | | | | <u>2,725,000</u> | <u>-</u> | <u>-</u> | <u>(182,000)</u> | <u>2,543,000</u> | |

Details of the movement of share options granted under the 2023 Share Option Scheme during the year ended 31 December 2025 are as follows:

| Name of grantee(s) | Date of grant | Exercise price per share | Closing price before the date of grant | | Exercise period | Vesting period | Balance | Granted | Exercised | Lapsed/ forfeited | Balance | Approximate percentage of issued share capital |
|--|---------------|-----------------------------|---|--|----------------------------------|-------------------|--|--|------------------------------|------------------------------|---------|---|
| | | | as at 1 January 2025 | during the period ended 31 December 2025 | | | during the period ended 31 December 2025 | during the period ended 31 December 2025 | as at 31 December 2025 | as at 31 December 2025 | | |
| <i>(Note 1)</i> | | | | | | | | | | | | |
| Other employees of the Company or its subsidiaries or other eligible participants under the 2023 Share Option Scheme <i>(Note 2)</i> | | | | | | | | | | | | |
| Other employees of the Company or its subsidiaries | 23 April 2024 | HK\$2.20 | HK\$2.00 | 23 April 2024 – 22 April 2029 | 23 April 2024 – 22 April 2025 | 13,500,000 | - | - | (1,500,000) | 12,000,000 | 7.67% | |
| Total | | | | | | <u>13,500,000</u> | <u>-</u> | <u>-</u> | <u>(1,500,000)</u> | <u>12,000,000</u> | | |

Notes:

1. During the year ended 31 December 2025, 182,000 share options and 1,500,000 share options under the 2017 Share Option Scheme and the 2023 Share Option Scheme were forfeited due to resignation of grantees after the vesting date and during the vesting period, respectively.
2. No share option was granted to the directors of the Company or its subsidiary under the 2023 Share Option Scheme during the year ended 31 December 2025.

SUMMARY OF THE SHARE OPTION SCHEMES

| Details | 2017 Share Option Scheme | 2023 Share Option Scheme |
|-------------|---|--|
| 1. Purposes | <p>To enable the Company to grant options to the employee, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group (the “Eligible Participants under the 2017 Share Option Scheme”) as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group.</p> | <p>To enable the Company to grant options to the eligible participants include any Employee Participant, Related Entity Participant or Service Provider (the “Eligible Participants”) who the Board or the remuneration committee considers, in their sole discretion, to have contributed or may bring benefits to the Group, and for such purpose as the Board may approve from time to time as incentive or reward for the Eligible Participants’ contribution to the Group.</p> |

| Details | 2017 Share Option Scheme | 2023 Share Option Scheme |
|----------------------------|---|---|
| 2. Qualifying participants | Employee, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, advisor, consultant, service provider, agent, customer, partner or joint-venture partner, or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group | Any Employee Participant ¹ , any Related Entity Participant ² , and any Service Provider ³ |

¹ An Employee Participant includes any director or employee of the Company or any of its subsidiaries (including any person who is granted option(s) under the 2023 Share Option Scheme (or award(s) under the 2023 Share Award Scheme (as the case may be)) as an inducement to enter into employment contract with these companies.

² A Related Entity Participant includes any director or employee of any of the holding companies, fellow subsidiaries or associated companies of the Company.

³ A Service Provider includes any person who provides business promotion and marketing services or debt collection services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group where the continuity and frequency of their services are akin to those of employees, but excluding any placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

| Details | 2017 Share Option Scheme | 2023 Share Option Scheme |
|-----------------|---|--|
| 3. Scheme limit | <p>The maximum number of Shares in respect of which options may be granted under the 2017 Share Option Scheme shall be 14,400,000, representing 10% of the issued Shares at the date the 2017 Share Option Scheme was approved by the shareholders of the Company. Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2017 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.</p> | <p>The maximum number of Shares in respect of which options and awards may be granted under the Share Schemes (and other share scheme(s) of the Company shall be 15,658,300 Shares, representing 10% of the total number of Shares in issue as at 30 June 2023; and the Service Provider Sublimit shall be 1,565,830 Shares, representing 1% of the total number of Shares in issue as at 30 June 2023. The Company may seek approval of its shareholders in general meeting for renewing the scheme mandate limit and the Service Provider Sublimit after three years from 30 June 2023. Upon renewal, the total number of Shares in in respect of which options and awards may be granted under the Share Schemes (and other share scheme(s) of the Company) shall not exceed 10% of the total issued Shares of the Company as at the date of approval of the renewal.</p> |

| Details | 2017 Share Option Scheme | 2023 Share Option Scheme |
|--|--|--|
| 4. Maximum entitlement of each participant | The total number of Shares issued and to be issued upon exercise of the options granted or to be granted pursuant to the 2017 Share Option Scheme and any other share option schemes of the Group to each Eligible Participants under the 2017 Share Option Scheme (including both exercised and outstanding options) in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue. Any further grant of options in excess of the 1% limit must be subject to shareholders' approval, at which such Eligible Participant under the 2017 Share Option Scheme and his close associates (or his associates if the Eligible Participant under the 2017 Share Option Scheme is a connected person) must abstain from voting. | For any 12-month period up to and including the date of grant, the aggregate number of Shares in issue in respect of all options or awards granted to any Eligible Participant (excluding any lapsed options or awards) under the share scheme(s) of the Company shall not exceed 1% of the issued Shares from time to time, unless such grant is separately approved by the shareholders of the Company with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. |
| 5. Option period | An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant. | In respect of any particular option, the period to be notified by the Board to the grantee within which the option may be exercisable provided that such period of time shall not exceed 10 years from the date on which an offer of the grant of an option is made to an Eligible Participant. |
| 6. Vesting period | Nil | The options granted under the 2023 Share Option Scheme are subject to a vesting period of at least 12 months from the date of grant subject to the terms and conditions of the 2023 Share Option Scheme. |

| Details | 2017 Share Option Scheme | 2023 Share Option Scheme |
|--|---|---|
| 7. Acceptance of offer | Options granted must be accepted within 21 days from the date of offer or within such other period of time as may be determined by the Board pursuant to the Listing Rules. | Options granted must be accepted within 14 days from, and inclusive of, the date of the offer of the grant, provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date or the termination of the 2023 Share Option Scheme. |
| 8. Purchase price payable on application of the option | A non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant. | A non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant. |
| 9. Basis of determining the exercise price | The exercise price shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of the grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five consecutive business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of the grant. | The exercise price shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of the grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of the grant. |
| 10. Remaining life of the scheme | It was terminated on 30 June 2023. | It shall expire on 30 June 2033, subject to early termination in accordance with the scheme rules (i.e. the remaining life of the scheme as at the date of this announcement is approximately 7 years and 3 months). |

SHARE AWARD SCHEME

The Company had one share award scheme which remained valid and effective during the year ended 31 December 2025, namely, the 2023 Share Award Scheme (which was adopted by the Company at the extraordinary general meeting held on 30 June 2023).

Previously, the Company had another share award scheme which was adopted by the Company on 6 November 2019 (the “**2019 Share Award Scheme**”). The 2019 Share Award Scheme was terminated on 30 June 2023 and no further awards can be granted under this scheme. Since the adoption of the 2019 Share Award Scheme and up to the date of its termination, no Share was purchased or issued, and no award was granted under the 2019 Share Award Scheme.

SUMMARY OF THE SHARE AWARD SCHEMES

| Details | 2019 Share Award Scheme | 2023 Share Award Scheme |
|---------------------|--|---|
| 1. Purposes | To effectively recognise employee’s contribution to the Group and/or providing an incentive to employee to remain with or join the Group, for participation in the scheme as a selected employee and determine the purchase, subscription and/or allocation of awarded shares according to the terms of the 2019 Share Award Scheme. | To recognise the contributions by the Eligible Participants and to give incentives to them in order to retain them for the continual operation and development of the Group; and attract suitable personnel for further development of the Group. |
| 2. Eligible Persons | The Board shall select any person (i.e. an employee (including executive directors and officers) of the Company or of any subsidiary (“ Employee ”), and any adviser and consultant of the Company or of any subsidiary and is not or has not become an Employee (“ Consultant ”)) for participation in the scheme as a selected person (the “ Selected Person ”) and determine the number of shares to be awarded. However, until so selected, no person shall be entitled to participate in the scheme. | Any Employee Participant, Related Entity Participant, and Service Provider. |

| Details | 2019 Share Award Scheme | 2023 Share Award Scheme |
|-----------------|---|---|
| 3. Scheme Limit | The maximum number of Shares shall not exceed 3% (i.e. 4,665,690 Shares) of the total number of issued Shares as at the adoption date of the 2019 Share Award Scheme. | The maximum number of Shares in respect of which options and awards may be granted under the Share Schemes (and other share scheme(s) of the Company shall be 15,658,300 Shares, representing 10% of the total number of Shares in issue as at 30 June 2023; and the Service Provider Sublimit shall be 1,565,830 Shares, representing 1% of the total number of Shares in issue as at 30 June 2023. The Company may seek approval of its Shareholders in general meeting for renewing the scheme mandate limit and the Service Provider Sublimit after three years from 30 June 2023. Upon renewal, the total number of Shares in in respect of which options and awards may be granted under the Share Schemes (and other share scheme(s) of the Company) shall not exceed 10% of the total issued Shares of the Company as at the date of approval of the renewal. |

| Details | 2019 Share Award Scheme | 2023 Share Award Scheme |
|--|--|--|
| 4. Maximum entitlement of each participant | A limit of 1% on the maximum number of awarded shares which may be granted to a single Selected Person but unvested under the 2019 Share Award Scheme. | For any 12-month period up to and including the date of grant, the aggregate number of Shares in issue in respect of all options or awards granted to any Eligible Participant (excluding any lapsed options or awards) under the share scheme(s) of the Company shall not exceed 1% of the issued Shares from time to time, unless such grant is separately approved by the shareholders of the Company with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. |
| 5. Vesting period | Nil | The awards granted under the 2023 Share Award Scheme are subject to a vesting period of 12 months from the date of grant. |
| 6. Purchase price payable on acceptance of the award | Where applicable, the Selected Person will need to pay for the vesting expenses, which include transfer fees, taxes, social security contributions and other levies associated with the vesting, release or transfer of the relevant awarded shares and related income in accordance with the instructions set out in the Selected Person's election form. | At nil consideration or at the amount determined by the Board in its absolute discretion and from time to time. |

| Details | 2019 Share Award Scheme | 2023 Share Award Scheme |
|--|---|--|
| 7. Basis of determining the purchase price | The Board to determine the reference awarded sum for the purchase, subscription and/or allocation of awarded shares with respect to the Selected Person and shall cause to be paid the reference amount to the trustee so that the trustee will apply the same towards to purchase and/or subscription of the Shares. | The consideration (if any) shall be based on the prevailing closing price of the Shares, the purpose of the award and the characteristics and profile of the Eligible Participant. |
| 8. Remaining life of the scheme | It was terminated on 30 June 2023. | It shall expire on 30 June 2033, subject to early termination in accordance with the scheme rules (i.e. the remaining life of the scheme as at the date of this announcement is approximately 7 years and 3 months). |

Note:

1. No options and awards were granted under the Share Schemes during the year ended 31 December 2025 and up to the date of this announcement. In fact, no award had been granted under the 2023 Share Award Scheme since its adoption and up to the date of this announcement.
2. No options and awards were cancelled under the Share Schemes during the year ended 31 December 2025.
3. The total number of Shares available for issue under the 2023 Share Option Scheme (including any Shares which may be issued in respect of all options granted but not yet exercised and to be granted) was 15,658,300 Shares (31 December 2024: 15,658,300), representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at the date of this announcement.
4. The total number of Shares available for issue under the 2023 Share Award Scheme was 15,658,300 Shares, representing approximately 10% of the total number of Shares in issue (excluding treasury shares) as at the date of this announcement.
5. The total number of Shares that may be issued in respect of options and awards granted under the Share Schemes during the year ended 31 December 2025 divided by the weighted average number of Shares in issue for the year was 9.30%.
6. None of the participants has been granted with options and awards in excess of the 1% individual limit.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, the Group has no significant events occurring after the reporting period.

OUTLOOK AND PLANS

In 2026, the Group will continue to exercise prudence for effective cost control and when developing business with high-quality customers, in order to brace itself for the current challenging environment. The Group will continue to strengthen its risk management capabilities and do business with current and new customers that have good development potential in their respective industries. The Directors consider that in future, the Company will focus on enhancing its internal informatisation and strengthen its risk management abilities with the functions of its systems. More effective measures to cut costs and increase income will also be adopted. Reasonable cost controls will be put in place while capitalising on the advantages of its existing businesses to increase the profitability of the Company. The Company will continue to enhance its financing capacity and develop more partners to enhance its comprehensive service-ability. The major customers of the Company are in the PRC. The Company will continue to pay close attention to the situations of its customers and adjust its business strategies in a flexible manner. The Directors consider that the promotion of digitalisation of business through strengthening the integration of resources among the Group's business departments and the synergy among its subsidiaries will be a main focus of the Company and an effective approach for the Company to tackle with the complicated economic environment.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to promoting good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules. During the year ended 31 December 2025, the Company had complied with all code provisions in the CG Code and had adopted most of the recommend best practices set out in the CG Code, except for Code Provision C.2.1 of the CG Code.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lo is currently the chairman of the Board and the chief executive officer of the Company, responsible for the overall strategic planning and management of the Group. Considering that Mr. Lo has been responsible for the overall management and operation of the Group since its inception, the Board believes that it is in the best interest of the Group to have Mr. Lo taking up both roles for effective management and business development.

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

Neither the Company nor any of its subsidiaries has, during the year ended 31 December 2025, purchased, sold or redeemed any listed securities of the Company.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There was no material acquisition and disposal of subsidiaries by the Group during the year ended 31 December 2025.

AUDIT COMMITTEE

The Company has an audit committee (the “**Audit Committee**”) which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Ms. Chan Sze Wan, Stephenie, Mr. Kam Wai Man and Mr. Lau Hong Yiu. The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he or she has, throughout the year ended 31 December 2025, complied with the required standards set out therein.

PUBLICATION OF INFORMATION

This announcement is published on the websites of the Company (www.haosenfintech.com) and the Stock Exchange (www.hkexnews.hk). The 2025 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2025, consolidated statement of comprehensive income, consolidated statement of changes in equity for the year ended 31 December 2025 and the related notes thereto as set out in the preliminary announcement of the Group have been agreed by the Group’s auditor, Moore CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board on 19 March 2026. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Moore CPA Limited on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 19 May 2026 (Tuesday) to 22 May 2026 (Friday) (both dates inclusive), during which period no transfer of Shares will be registered. The record date will be 22 May 2026 (Friday). In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on 22 May 2026 (Friday), all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 18 May 2026 (Monday).

By order of the Board
Haosen Fintech Group Limited
LO Wai Ho
Chairman and Executive Director

Hong Kong, 19 March 2026

As at the date of this announcement, the Board comprises Mr. LO Wai Ho as the executive Director; Mr. WU Jiaqi as the non-executive Director; and Mr. KAM Wai Man, Ms. CHAN Sze Wan, Stephenie and Mr. LAU Hong Yiu as independent non-executive Directors.