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DA YU FINANCIAL HOLDINGS LIMITED

大禹金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1073)

ANNOUNCEMENT OF 2025 ANNUAL RESULTS

RESULTS

The Board of Directors (the “Board”) of Da Yu Financial Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 as below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Services revenue	3(a)	66,049	53,642
Interest revenue	3(a)	2,486	1,814
Total revenue		68,535	55,456
Other net income		–	3
Other net financial gain		35,722	14,622
Employee benefit expense		(25,146)	(28,091)
Impairment losses on financial assets, net		(928)	(617)
Impairment losses on goodwill	9	(16,164)	–
Administrative and other expenses		(19,812)	(16,549)
Finance costs		(204)	(98)
Profit before income tax	5	42,003	24,726
Income tax expense	6	(2,351)	(2,221)
Profit for the year attributable to the owners of the Company		39,652	22,505
Other comprehensive income/(expenses):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign subsidiaries		348	(1,173)
Other comprehensive income/(expenses) for the year		348	(1,173)
Total comprehensive income for the year attributable to the owners of the Company (Note)		40,000	21,332
Earnings per share attributable to the owners of the Company (HK cents)			(As restated)
– Basic	7	1.44	0.98
– Diluted		1.44	0.98

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Cont'd)

For the year ended 31 December 2025

Note:

This note does not form part of the consolidated statement of profit or loss and other comprehensive income.

	2025	2024
	HK\$'000	HK\$'000
For illustration purpose only (Non-Hong Kong Financial Reporting Standard (“HKFRS”) Measures):		
Total comprehensive income for the year	40,000	21,332
Add: Impairment losses on goodwill	16,164	–
Adjusted total comprehensive income before non-cash impairment losses on goodwill for the year ⁽¹⁾	56,164	21,332

⁽¹⁾ The Company believes that the adjusted financial measures provide useful information to investors in understanding and evaluating the consolidated statement of profit or loss and other comprehensive income of the Group in the same manner as they helped the Company’s management, and that the Company’s management and investors may benefit from referring to these adjusted financial measures in assessing the Group’s financial and operating performance from year to year by eliminating impacts of items that the Group does not consider indicative of the Group’s operating performance. However, the presentation of these non-HKFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with HKFRS. You should not view the adjusted results on a standalone basis or as a substitute for results under HKFRS.

There was no tax effect in respect of the impairment losses of goodwill.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2025*

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		125	156
Goodwill	<i>9</i>	92,624	108,788
Intangible assets	<i>10</i>	55,633	59,085
Right-of-use assets		3,183	352
Mortgage loans	<i>11</i>	5,184	6,691
Financial assets at fair value through profit or loss (“FVPL”)		61,291	85,087
Deferred tax assets		791	–
Other assets		230	200
		<hr/> 219,061	<hr/> 260,359
Current assets			
Mortgage loans	<i>11</i>	1,536	1,564
Term loans	<i>12</i>	–	8,657
Contract assets		53	53
Trade and other receivables, deposits paid and prepayments	<i>13</i>	5,304	3,452
Margin loan receivable	<i>14</i>	42,633	–
Amount due from a related company		17,648	5,612
Financial assets at FVPL		186,764	148,165
Client trust bank balances	<i>15</i>	162,227	230,741
Cash and cash equivalents		218,014	98,550
		<hr/> 634,179	<hr/> 496,794
Current liabilities			
Contract liabilities		823	3,243
Trade and other payables and accrued expenses	<i>16</i>	171,315	242,248
Bank overdraft		–	76
Lease liabilities		2,907	367
Taxation payable		1,607	537
		<hr/> 176,652	<hr/> 246,471
Net current assets		<hr/> 457,527	<hr/> 250,323
Total assets less current liabilities		<hr/> 676,588	<hr/> 510,682

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)*As at 31 December 2025*

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities		
Deferred tax liabilities	8,354	8,924
Employee benefit obligations	491	402
Lease liabilities	339	–
	<hr/> 9,184 <hr/>	<hr/> 9,326 <hr/>
Net assets	<u>667,404</u>	<u>501,356</u>
EQUITY		
Equity attributable to the owners of the Company		
Share capital	341,799	227,866
Reserves	325,605	273,490
	<hr/> 667,404 <hr/>	<hr/> 501,356 <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability on 9 September 1999. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Room 1801, 18th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and the Group is principally engaged in activities including dealing in securities, advising on securities, advising on corporate finance, asset management, investment, money lending, margin financing business, securities and related services.

2. CHANGE IN ACCOUNTING POLICIES

2.1 Adoption of amendments to HKFRS Accounting Standards – effective on 1 January 2025

In the current year, the Group has applied for the first time the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2025.

Amendments to HKAS 21	Lack of Exchangeability
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The adoption of these amendments to HKFRS Accounting Standards has no material impact on the Group's accounting policies.

2.2 New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amendments to HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Annual Improvements	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts referencing nature dependent electricity ¹
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

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

² Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of the potential impact of these new and amendments to HKFRS Accounting Standards. Except for the possible impact that the adoption of the below new and amendments to HKFRS Accounting Standards will have in the period of initial application, the Board so far concluded that these new and amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements.

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

Amendments to HKFRS 9 and HKFRS 7 will be first applied for the annual reporting periods beginning on 1 January 2026 and to be applied retrospectively. The amendments clarify guidance on timing of derecognition of financial liabilities, on the assessment of cash flow characteristics and resulting classification and disclosure of financial assets with terms referencing contingent events including environmental, social and corporate governance events, and of the treatment of non-recourse assets and contractually linked instruments. The Group is still in process of assessing the impact of these amendments on the Group's consolidated financial statements.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements” and will be first applied for the annual reporting periods beginning on 1 January 2027. The new standard introduced the following new requirements.

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Entities are required to disclose within a note to consolidated financial statements of management-defined performance measures (“MPMs”) with a reconciliation between MPMs and HKFRS performance measures.
- Enhanced guidance is provided on how to group the information in the financial statements or in the notes.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in process of assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as “others”.

3. REVENUE

(a) Disaggregation of revenue

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Services Revenue		
Type of services		
– Advisory and related services	17,999	28,773
– Asset management services	33,435	18,266
– Securities and related services	13,716	1,936
– Referral fees	–	3,746
– Sundry income	899	921
	<u>66,049</u>	<u>53,642</u>
Revenue from contracts with customers not within the scope of HKFRS 15:		
Interest Revenue		
Loan interest income	1,487	1,814
Interest income from margin financing business	999	–
	<u>2,486</u>	<u>1,814</u>
	<u>68,535</u>	<u>55,456</u>
Timing of services revenue recognition within the scope of HKFRS 15:		
At a point in time	16,125	18,462
Transferred over time	49,924	35,180
	<u>66,049</u>	<u>53,642</u>

(b) Transaction price allocated to remaining performance obligations

As of 31 December 2025 and 2024, the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$10,377,000 and approximately HK\$14,102,000 respectively. The transaction price does not include any estimated amounts of variable consideration, unless at the reporting date it is highly probable that the Group will satisfy the conditions of variable consideration. The Group expects to recognise the amount as revenue when the performance obligations are satisfied in coming 12 months, depending on the contract terms. The following table shows the time band for remaining performance obligations to be satisfied.

	2025	2024
	HK\$'000	HK\$'000
Remaining performance obligations expected to be satisfied during:		
the year ended 31 December 2025	–	14,102
the year ending 31 December 2026	10,377	–
	<hr/>	<hr/>
<i>(Note)</i>	10,377	14,102
	<hr/> <hr/>	<hr/> <hr/>

Payment is due based on contractual terms specified in the underlying agreements.

Note:

According to HKFRS 15 – Revenue from Contracts with Customers, the amount of remaining performance obligations above did not include a significant advisory transaction subject to conditions, because according to its mandate, as at 31 December 2025:

- (i) there are uncertainties surrounding the actual amount to be received;
- (ii) the range for the final amounts to be received is wide, the worst of it being nil;
- (iii) the uncertainty about the amount of advisory entitlement fee is not expected to be resolved within a short period of time; and
- (iv) there is no substantial commercial reality to ascertain the amount of the advisory entitlement fee.

4. SEGMENT INFORMATION

The Group's reportable and operating segments are as follows:

- (a) Corporate finance services, investment and others – provision of corporate finance advisory services including financial advisory services, services incidental to financial advisory, compliance advisory services, placing agency and/or underwriting services, investment business and others.
- (b) Asset management services – provision of asset management services including investment advisory services and sundry income derived from provision of the services.
- (c) Securities and related services – provision of securities broking, underwriting and/or placing of securities, margin financing business and investment in securities.
- (d) Money lending business – provision of loan financing and related services.

Segment revenue and results

	Corporate finance services, investment and others <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Securities and related services <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
2025					
Revenue					
– external	17,999	34,334	14,715	1,487	68,535
– inter-segment	–	1,526	–	–	1,526
Other net income (<i>Note</i>)	–	–	946	–	946
Other net financial gain					
– all generated from proprietary trading	31,445	–	4,055	1,021	36,521
Less: inter-segment revenue	(799)	(1,526)	(946)	–	(3,271)
Reportable segment revenue					
– external customers	<u>48,645</u>	<u>34,334</u>	<u>18,770</u>	<u>2,508</u>	<u>104,257</u>
Results					
Reportable segment profit before impairment losses on goodwill, amortisation on intangible assets and income tax	34,381	22,254	3,993	991	61,619
Reportable segment profit before income tax	<u>14,765</u>	<u>22,254</u>	<u>3,993</u>	<u>991</u>	<u>42,003*</u>
Amounts included in the measure of reportable segment profit before income tax:					
Amortisation on intangible assets	3,452	–	–	–	3,452
Impairment losses on goodwill	16,164	–	–	–	16,164
Depreciation	456	591	1,885	2	2,934
Employee benefit expense	9,001	8,628	6,715	802	25,146
Other information:					
Additions to specified non-current assets	<u>891</u>	<u>1,156</u>	<u>3,687</u>	<u>–</u>	<u>5,734</u>

	Corporate finance services, investment and others <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Securities and related services <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
2024					
Revenue					
– external	28,773	19,187	5,682	1,814	55,456
– inter-segment	–	605	–	–	605
Other net income (<i>Note</i>)	–	1,025	1,097	3	2,125
Other net financial gain					
– all generated from proprietary trading	11,490	–	3,765	665	15,920
Less: inter-segment revenue	<u>(1,298)</u>	<u>(1,630)</u>	<u>(1,097)</u>	<u>–</u>	<u>(4,025)</u>
Reportable segment revenue					
– external customers	<u>38,965</u>	<u>19,187</u>	<u>9,447</u>	<u>2,482</u>	<u>70,081</u>
Results					
Reportable segment profit/(loss) before impairment losses on goodwill (if any), amortisation on intangible assets and income tax	22,488	6,455	(365)	(400)	28,178
Reportable segment profit/(loss) before income tax	<u>19,036</u>	<u>6,455</u>	<u>(365)</u>	<u>(400)</u>	<u>24,726*</u>
Amounts included in the measure of reportable segment profit/(loss) before income tax:					
Amortisation on intangible assets	3,452	–	–	–	3,452
Impairment losses on goodwill	–	–	–	–	–
Depreciation	493	641	2,052	2	3,188
Employee benefit expense	12,018	9,935	5,269	869	28,091
Other information:					
Additions to specified non-current assets	<u>3,002</u>	<u>2,002</u>	<u>18</u>	<u>–</u>	<u>5,022</u>

* Total segment profit equals the consolidated profit before income tax, accordingly no reconciliation of this amount is presented.

Note: None of the other net income generated from proprietary trading was included in segment revenue for the years ended 31 December 2025 and 2024.

Segment assets and liabilities

	Corporate finance services, investment and others <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Securities and related services <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2025					
Reportable segment assets and consolidated total assets	<u>470,018</u>	<u>56,133</u>	<u>309,854</u>	<u>17,235</u>	<u>853,240</u>
Reportable segment liabilities	9,910	814	166,963	288	177,975
Unallocated: other payables, accrued expenses, taxation payable and employee benefit obligations					<u>7,861</u>
Consolidated total liabilities					<u>185,836</u>
As at 31 December 2024					
Reportable segment assets and consolidated total assets	<u>439,936</u>	<u>43,531</u>	<u>244,335</u>	<u>29,351</u>	<u>757,153</u>
Reportable segment liabilities	12,460	243	231,118	318	244,139
Unallocated: other payables, accrued expenses, taxation payable and employee benefit obligations					<u>11,658</u>
Consolidated total liabilities					<u>255,797</u>

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

- all assets are allocated to operating segments; and
- all liabilities are allocated to operating segments other than other payables, accrued expenses, taxation payable and employee benefit obligations (except for other payables, accrued expenses, taxation payable and employee benefit obligations attributable to securities and related services and money lending business segments).

Major customers information

Revenue from major customers, each of whom amounted to 10% or more of Group's revenue for the years ended 31 December 2025 and 2024, is set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	<u>31,158</u>	<u>17,839</u>

¹ Revenue from Customer A is attributable to asset management services and securities and related services.

Geographic information

The Group's operations are mainly located in Hong Kong and all the Group's non-current assets (excluding mortgage loan and financial assets at FVPL) are located in Hong Kong.

5. PROFIT BEFORE INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before income tax is arrived at after charging/(crediting):		
Amortisation on intangible assets (<i>Note</i>)	3,452	3,452
Auditor's remuneration		
– Audit services	1,035	1,035
– Non-audit services	95	95
Depreciation of		
– Owned property, plant and equipment	61	86
– Right-of-use assets	2,873	3,102
Employee benefit expense (including Directors' emoluments)	25,146	28,091
Finance costs	204	98
Exchange (gain)/loss, net	(134)	40
Impairment losses on financial assets, net	928	617
Impairment losses on goodwill	<u>16,164</u>	<u>–</u>

Note: Amortisation on intangible assets is included in "Administrative and other expenses" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of a subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
– Hong Kong profits tax	3,714	2,804
– Over-provision in prior years	(2)	(13)
	<u>3,712</u>	<u>2,791</u>
Deferred tax	(1,361)	(570)
	<u>2,351</u>	<u>2,221</u>

7. EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings for the purposes of basic and diluted earnings per share		
Profit for the year attributable to the owners of the Company	<u>39,652</u>	<u>22,505</u>
Number of shares		(As restated)
Weighted average number of ordinary shares in issue for the purposes of basic and diluted earnings per share	<u>2,745,960,192</u>	<u>2,307,226,036</u>

There were no potential ordinary shares in issue for the years ended 31 December 2025 and 2024. Accordingly, the diluted earnings per share presented are the same as the basic earnings per share.

The weighted average number of ordinary shares in issue and basic and diluted earnings per share were adjusted.

The weighted average number of ordinary shares of 2,745,960,192 for the year ended 31 December 2025 is derived from 2,278,660,380 shares in issue as at 1 January 2025 after taking into account the effects of the issue of shares upon rights issue completed on 9 September 2025.

Bonus elements arising from the rights issue completed on 9 September 2025 at the price lower than market value has been adjusted on the determination of weighted average number of shares. Weighted average number of shares for the year ended 31 December 2024 has been restated accordingly.

8. DIVIDENDS

Dividends recognised as distribution to owners of the Company during the year

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
2025 proposed final dividend declared – HK0.28 cent (2024: HK0.28 cent)	9,570	6,380
Proposed special dividend declared – Nil (2024: HK0.16 cent)	<u>–</u>	<u>3,646</u>
	<u>9,570</u>	<u>10,026</u>

The Board has recommended the payment of a final dividend of HK0.28 cent per share for the year ended 31 December 2025. The proposed final dividend is subject to the approval of the shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting of the Company (the “AGM”). The proposed final dividend in respect of the year declared subsequent to 31 December 2025 has not been recognised as a liability as at 31 December 2025.

During the year ended 31 December 2025, a final dividend of HK0.28 cent per share, in an aggregate amount of HK\$6,380,000 and a special dividend of HK0.16 cent per share, in an aggregate amount of HK\$3,646,000 in respect of the year ended 31 December 2024 were approved at the annual general meeting held on 30 May 2025, which were paid in cash.

9. GOODWILL

The amount of goodwill capitalised as an asset, arising from acquisition of a subsidiary in previous years is as follows:

	<i>HK\$'000</i>
Cost	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>302,965</u>
Accumulated impairment	
At 1 January 2024, 31 December 2024 and 1 January 2025	194,177
Impairment losses	<u>16,164</u>
31 December 2025	<u>210,341</u>
Carrying amount	
At 31 December 2024	<u>108,788</u>
At 31 December 2025	<u>92,624</u>

For the purpose of impairment testing, goodwill is allocated to the cash-generating units, each of which represent an operating and reportable segment of the Group, as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Corporate finance services, investment and others (“CF CGU”)	58,032	74,196
Asset management services (“AM CGU”)	34,592	34,592
	<u>92,624</u>	<u>108,788</u>

10. INTANGIBLE ASSETS

	Investment management agreement <i>HK\$'000</i>	Backlog <i>HK\$'000</i>	Trade name <i>HK\$'000</i>	Securities and Futures Commission licences <i>HK\$'000</i>	Club membership <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost						
At 1 January 2024	15,560	9,620	69,044	3,740	–	97,964
Addition	–	–	–	–	5,000	5,000
At 31 December 2024, 1 January 2025 and 31 December 2025	<u>15,560</u>	<u>9,620</u>	<u>69,044</u>	<u>3,740</u>	<u>5,000</u>	<u>102,964</u>
Amortisation and impairment						
At 1 January 2024	15,560	9,620	15,247	–	–	40,427
Amortisation	–	–	3,452	–	–	3,452
At 31 December 2024 and 1 January 2025	15,560	9,620	18,699	–	–	43,879
Amortisation	–	–	3,452	–	–	3,452
At 31 December 2025	<u>15,560</u>	<u>9,620</u>	<u>22,151</u>	<u>–</u>	<u>–</u>	<u>47,331</u>
Carrying amount						
At 31 December 2024	–	–	50,345	3,740	5,000	59,085
At 31 December 2025	<u>–</u>	<u>–</u>	<u>46,893</u>	<u>3,740</u>	<u>5,000</u>	<u>55,633</u>

11. MORTGAGE LOANS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Secured mortgage loans	6,720	8,255
Analysed for reporting purposes as:		
– Non-current assets	5,184	6,691
– Current assets	1,536	1,564
	6,720	8,255

The major terms of mortgage loans are as follows:

	2025	2024
Interest rate (per annum) – variable rate loan receivables	P+2% -P+13%	P+2%-P+13%
Remaining tenure	6 months to 10 years	1 month to 11 years
Principal amounts	HK\$72,000 to HK\$1,651,000	HK\$11,000 to HK\$1,986,000
Number of mortgage loans customers		
– Individual	11	15
Loan to value ratio	1.5% -57.9%	0.5%-58.4%
Collateral	Residential/ commercial properties	Residential/ commercial properties

“P” refers to Hong Kong dollars prime rate offered by The Hongkong and Shanghai Banking Corporation Limited from time to time to its prime customers, which is 5.00% (2024: 5.25%) at 31 December 2025.

As at 31 December 2025 and 2024, no mortgage loan was past due.

During the years ended 31 December 2025 and 2024 and as at 31 December 2025 and 2024, the Group has not recognised any loss allowance for the mortgage loans with the carrying amount of HK\$6,720,000 (2024: HK\$8,255,000) which are secured by collateral as the realisable value of collateral of such mortgage loans can be objectively ascertained to cover the outstanding loan amounts.

12. TERM LOANS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets		
Term loans	–	9,047
Less: impairment allowance	–	(390)
	<u>–</u>	<u>8,657</u>

The major terms of term loans are as follows:

	2024 <i>HK\$'000</i>
Fixed rate loan receivables (per annum)	<i>(Note)</i>
Tenure	<i>(Note)</i>
Principal amounts	HK\$9,000,000
Number of term loans customers	
– Individual	<u>1</u>

Note: The term loan was granted on 17 June 2024 to borrower at an interest rate of 15.055556% for the first interest period and 11% per annum thereafter and repayment date was 17 December 2024. Repayment date of the term loan be extended to 17 December 2025 on 10 January 2025 at an interest rate of 13.616487% per annum for the interest period between 17 December 2024 and 16 January 2025 and 11% per annum thereafter. Details of the transaction were disclosed in the Company's announcement dated 10 January 2025. The term loan was fully repaid during the year ended 31 December 2025.

No ageing analysis is disclosed for term loans financing as, in the opinion of the Directors, the ageing analysis does not give additional value in the view of the nature of the term loans financing business.

13. TRADE AND OTHER RECEIVABLES, DEPOSITS PAID AND PREPAYMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets		
Trade receivables <i>(Note)</i>	2,705	1,452
Other receivables	650	260
Prepayments	1,066	792
Rental and utility deposits	883	948
	<u>5,304</u>	<u>3,452</u>

Note: The Group normally applies credit terms to its customers according to industry practice together with consideration of their creditability, repayment history and years of establishment. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

The Board considers that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The ageing analysis of the carrying amount of the Group's trade receivables as at the reporting date, based on invoice dates, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	2,126	1,452
Over 30 days but within 60 days	379	–
Over 60 days but within 90 days	200	–
	<hr/>	<hr/>
Carrying amount of trade receivables, net of loss allowance	<u>2,705</u>	<u>1,452</u>

At each reporting date, the Group reviews trade receivables for impairment on both individual and collective basis.

As at 31 December 2025, loss allowances of approximately HK\$1,645,000 (2024: approximately HK\$327,000) were made against the gross amount of trade receivables.

Movement in the loss allowances amount in respect of trade receivables during the years ended 31 December 2025 and 2024 is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	327	5,091
Written off	–	(5,091)
Expected credit losses (“ECLs”) reversed during the year	(327)	–
ECLs recognised during the year	1,645	327
	<hr/>	<hr/>
At 31 December	<u>1,645</u>	<u>327</u>

14. MARGIN LOAN RECEIVABLE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Margin loan receivable	<u>42,633</u>	<u>–</u>

In the opinion of the Directors, the ageing analysis of margin loan receivable does not give additional value given the nature of the Group's margin financing business. No ageing analysis is disclosed for margin loan receivable.

The credit facility limits granted to margin clients are determined based on the discounted market value of the collateral securities accepted by the Group.

The loans to margin clients are secured by the underlying pledged securities and are interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan-to-collateral ratio. Any excess in the lending ratio will trigger a margin call and the clients have to make good the shortfall.

As at 31 December 2025, margin loan receivable were secured by securities pledged by the clients to the Group as collateral with undiscounted market value of approximately HK\$713.8 million (2024: Nil).

15. CLIENT TRUST BANK BALANCES

The Group maintains segregated deposit accounts with a recognised bank to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as client trust bank balances under the current assets section of the consolidated statement of financial position and recognised the corresponding trade payables (Note 16) to respective clients as it is liable for any loss or misappropriation of clients' monies. The segregated deposit accounts balances are restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

16. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables arising from the ordinary course of business of securities dealing and brokerage services (<i>Note</i>)		
– Clients	163,649	228,498
– Hong Kong Securities Clearing Company Limited	925	2,228
Other payables and accrued expenses	<u>6,741</u>	<u>11,522</u>
	<u>171,315</u>	<u>242,248</u>

Note: The settlement terms of trade payables attributable to dealing in securities are two days after the trade date.

In the opinion of the Directors, an ageing analysis does not give additional value in view of the business nature of securities dealing and brokerage services. No ageing analysis is disclosed.

As at 31 December 2025, included in trade payables arising from the ordinary course of business of securities dealing and brokerage services was an amount of approximately HK\$162,227,000 (2024: approximately HK\$230,741,000) payable to clients in respect of segregated deposit accounts balances received and held for clients in the course of the conducting regulated activities.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2025 (the “Current Reporting Period”), the Group is principally engaged in the provision of corporate finance advisory services and asset management services through its wholly-owned subsidiary, Yu Ming Investment Management Limited (“Yu Ming”); investment in securities through a wholly-owned subsidiary, Yu Ming High Dividend Fund (“YMHD Fund”); securities broking and placing through a wholly-owned subsidiary, Morton Securities Limited (“Morton Securities”); and money lending business in Hong Kong mainly through another wholly-owned subsidiary, Morgan Finance Limited (“Morgan Finance”). The Group also activated margin financing business since September 2025 through Morton Securities.

Yu Ming is licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

YMHD Fund is a fund incorporated as an exempted company in the Cayman Islands and registered as a regulated mutual fund under the Mutual Funds Act of the Cayman Islands.

Morton Securities is a securities dealer licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Morton Securities is also an Exchange Participant of the Stock Exchange and is admitted by Hong Kong Securities Clearing Company Limited to participate in the Central Clearing and Settlement System as a Direct Clearing Participant (within the meaning of the General Rules of Central Clearing and Settlement System).

Morgan Finance holds the money lenders licence, which was granted by the licensing court pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Money Lenders Regulations, allowing Morgan Finance to carry on money lending business in Hong Kong.

Corporate Finance Advisory

During the Current Reporting Period, the corporate finance advisory services provided by Yu Ming mainly included the following:

- (i) acting as financial adviser to advise listed issuers, shareholders and investors of listed issuers and entities on specific transactions in respect of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) and/or the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs (the “Takeovers Code”);
- (ii) acting as independent financial adviser to listed issuers to provide independent advice required under the Listing Rules, the Takeovers Code or other specific circumstances; and

(iii) acting as financial adviser to listed issuers on retainer basis to advise listed issuers on corporate strategies and compliance with the Listing Rules, the GEM Listing Rules and the Takeovers Code.

The transactions advised include resumption of trading of Main Board listed companies on the Stock Exchange, takeover under the Takeovers Code and hostile situations.

Revenue for the Current Reporting Period from corporate finance advisory and related services was approximately HK\$18.0 million (2024: approximately HK\$28.8 million).

Asset Management

During the Current Reporting Period, the Group provided asset management services to SHK Hong Kong Industries Limited, a discretionary account and other two investment funds, including YMHD Fund.

Revenue for the Current Reporting Period from asset management services was approximately HK\$34.3 million (2024: approximately HK\$19.2 million), net of intragroup asset management service fees.

Goodwill Assessment and Impairment

An accounting goodwill of approximately HK\$303.0 million was recognised when the Group acquired Yu Ming in 2019, based on HKFRS 3 (Revised) Business Combinations. A goodwill is continuously subject to impairment testing and at least annually.

Impairment testing involves assessing the value in use of the CF CGU and the AM CGU of Yu Ming in the case of the Group, to which the goodwill is allocated. This assessment requires the Company to estimate the expected future cash flows from these units and to use an appropriate discount rate (which varies from time to time) to determine the present value of those cash flows.

During the estimation of expected future cash flows, management must consider assumptions regarding future revenue and profits, which are contingent upon future events and circumstances. Additionally, the discount rate depends on, inter alia, market interest rates, market risk and asset-specific risk factors.

The Board carefully assessed the necessity for goodwill impairment by conducting a thorough analysis of the current economic climate and market conditions, and finally considered to recognise a goodwill impairment of approximately HK\$16.2 million in 2025 (2024: Nil). After excluding the effect of non-cash goodwill impairment, the consolidated financial results of the Company for the 12 months ended 31 December 2025 recorded an adjusted total comprehensive income for the Current Reporting Period of approximately HK\$56.2 million, compared to the adjusted total comprehensive income before goodwill impairment of approximately HK\$21.3 million in the previous year.

Investment

During the Current Reporting Period, YMHD Fund principally carried on investment in securities.

Other net financial gain for the Current Reporting Period from YMHD Fund's investment in securities was approximately HK\$19.1 million (2024: approximately HK\$2.7 million).

Securities Broking and Margin Financing Business

During the Current Reporting Period, Morton Securities was principally engaged in securities broking, placing and underwriting of securities, margin financing business and investment in securities.

The Group activated the margin financing business since September 2025. The margin financing business is provided by Morton Securities in conjunction with its existing brokerage services and became part of the Group's securities and related services segment.

During the Current Reporting Period, the Group recorded revenue from placing and underwriting business of approximately HK\$9.4 million (2024: Nil). The Group completed two transactions as underwriter for IPOs and two transactions as underwriters and/or placing agents for secondary market fund raising exercise (2024: Nil).

The total revenue generated from securities dealing and brokerage and referral service was approximately HK\$4.3 million during the Current Reporting Period (2024: approximately HK\$5.7 million), which was mainly due to drop in referral fees during the Current Reporting Period.

As at 31 December 2025, the total outstanding balance of margin loan receivable amounted to approximately HK\$42.6 million (2024: Nil) and the interest income generated from margin financing business was approximately HK\$1.0 million during the Current Reporting Period (2024: Nil). The overall maintenance margin ratio (the total value of all the collateral from the clients of margin financing business (including the amount of cash and the market value of securities held in margin securities account) to the margin balance of clients) was 16.7 times (2024: Nil). The Group always implements effective credit control procedures to avoid any bad debts.

Total revenue for the Current Reporting Period from securities and related services was approximately HK\$14.7 million (2024: approximately HK\$5.7 million).

Money Lending

During the Current Reporting Period, Morgan Finance was principally engaged in money lending business in Hong Kong.

Nature of lending services

Morgan Finance together with its subsidiary derive referral fees and interest income from commercial and personal lending as well as property mortgage financing. The loans granted to customers range from unsecured loans (i.e. term loan and personal loan) to secured loans (i.e. property mortgage and share mortgage). In view of the economic instability, Morgan Finance continued to adhere to its cautious approach to strengthening the overall credit risk management and control mechanism, in order to minimise default risks, it also adjusted the interest rate and loan to value ratio on a timely basis, according to the market situation.

Revenue for the Current Reporting Period from money lending and related business was approximately HK\$1.5 million (2024: approximately HK\$1.8 million).

Impairment provisions of mortgage loans and term loans

Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The ECL for term loans is assessed individually and mortgage loans is assessed collectively. In determining impairment allowances on term loans and mortgage loans, the measurement of ECL requires estimation of the amounts in respect of expected future cash flows and the assessment of whether there have been a significant increase in credit risk.

The impairment provision has taken into account the financial strength of the borrowers as well as the quality of collateral and other credit enhancements.

In respect of secured mortgage loans with the carrying amount of approximately HK\$6.7 million as at 31 December 2025 (2024: approximately HK\$8.3 million), the realisable value of collateral of such mortgage loans can be objectively ascertained to cover the outstanding loan amounts based on valuations conducted at the end of the financial year.

The loan to value ratio, calculated by dividing the outstanding loans of each mortgage loan by the appraised value of its property pledged, ranged from 1.5% to 57.9% as at 31 December 2025 (2024: 0.5% to 58.4%).

FINANCIAL REVIEW

Overall Results

The financial results of the Group are highlighted as follows:

	2025 <i>HK\$ million</i>	2024 <i>HK\$ million</i>
Revenue	68.5	55.5
Other net financial gain	35.7	14.6
Reportable segment revenue	104.2	70.1
Employee benefit expense	(25.1)	(28.1)
Impairment losses on financial assets, net	(0.9)	(0.6)
Impairment losses on goodwill	(16.2)	–
Amortisation on intangible assets	(3.5)	(3.5)
Administrative and other expenses excluding amortisation on intangible assets	(16.3)	(13.1)
Finance costs	(0.2)	(0.1)
Profit before income tax	42.0	24.7
Income tax expense	(2.3)	(2.2)
Profit for the year	39.7	22.5
Exchange differences on translation of foreign subsidiaries	0.3	(1.2)
Total comprehensive income for the year	40.0	21.3
Adjusted total comprehensive income excluding non-cash impairment losses on goodwill for the year	56.2	21.3
Return on equity attributable to owners of the Company	6.8%	5.5%
Earnings per share (HK cents)		
– Basic	1.44	0.98*
– Diluted	1.44	0.98*

* The comparative amount of the basic/diluted earnings per share for the year ended 31 December 2024 has been adjusted to reflect the impact of the bonus element of the rights issue effected subsequent to 31 December 2024.

Earnings and Expenses

The consolidated financial results of the Company for the 12 months ended 31 December 2025 recorded a profit for the Current Reporting Period of approximately HK\$39.7 million, compared with a profit of approximately HK\$22.5 million in the previous year. After excluding the effect of non-cash goodwill impairment, the consolidated financial results of the Company for the 12 months ended 31 December 2025 recorded an adjusted total comprehensive income for the Current Reporting Period of approximately HK\$56.2 million, compared with adjusted total comprehensive income before goodwill impairment of approximately HK\$21.3 million in the previous year.

The increase in profit was mainly attributable to (i) increase in bond investment income; and (ii) increase in asset management fee income, notwithstanding the provision of non-cash goodwill impairment during the Current Reporting Period.

The Group's basic earnings per share for the Current Reporting Period was HK1.44 cents (2024: restated HK0.98 cent).

Revenue for the Current Reporting Period increased by approximately HK\$13.0 million, or 23.6%, to approximately HK\$68.5 million, compared with approximately HK\$55.5 million in the previous year. This growth was mainly due to the increase in asset management fee income, which increased by approximately HK\$15.2 million, or 83.0%, to approximately HK\$33.4 million and the growth in securities and related services income by approximately HK\$11.8 million, or 608.5%, to approximately HK\$13.7 million.

Other net financial gain increased by approximately HK\$21.1 million, or 144.3%, to approximately HK\$35.7 million in 2025, compared with approximately HK\$14.6 million in 2024. This was mainly due to an increase in gain from investments in the bonds and other investments approximately HK\$21.0 million, or 278.0%, resulting in a gain of approximately HK\$28.5 million for the full year.

Employee benefit expenses decreased by approximately HK\$3.0 million, or 10.5%, to approximately HK\$25.1 million in 2025, compared with approximately HK\$28.1 million in the previous year. This change was mainly due to reduction in staff bonus by approximately HK\$3.1 million, or 32.1%, to approximately HK\$6.6 million.

Profit before income tax increased by approximately HK\$17.3 million, or 69.9%, to approximately HK\$42.0 million in 2025. This improvement was mainly due to the increase in other net financial gain, which increased by approximately HK\$21.1 million, or 144.3%, to approximately HK\$35.7 million, notwithstanding a non-cash goodwill impairment of approximately HK\$16.2 million in 2025. Excluding the effect of non-cash goodwill impairment which was mainly attributable to the decline in performance of corporate finance segment, the adjusted total comprehensive income before impairment losses on goodwill increased by approximately HK\$34.9 million, or 163.3% to approximately HK\$56.2 million in 2025, compared to approximately HK\$21.3 million in previous year.

Revenue and Financial Resources

For the Current Reporting Period, the Group had revenue of approximately HK\$68.5 million (2024: approximately HK\$55.5 million).

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$218.0 million (2024: approximately HK\$98.6 million). As at 31 December 2025, the Group's current ratio (current assets to current liabilities) was approximately 359.0% (2024: approximately 201.6%).

For the Current Reporting Period, the Group had no material exposure to fluctuations in exchange rates.

Indebtedness and Banking Facilities

As at 31 December 2025, the Group had no bank and other borrowings (2024: no bank and other borrowings other than unsecured bank overdraft of HK\$0.1 million).

The Group's gearing ratio, calculated by reference to the ratio of total bank borrowings (if any) to total equity attributable to the owners of the Company as at 31 December 2025 and 2024, was 0%.

Assets and Liabilities

As at 31 December 2025, the Group had total assets of approximately HK\$853.2 million (2024: approximately HK\$757.2 million) and total liabilities of approximately HK\$185.8 million (2024: approximately HK\$255.8 million). The net assets of the Group as at 31 December 2025 were approximately HK\$667.4 million (2024: approximately HK\$501.4 million).

Capital Structure

The share capital during the Current Reporting Period was changed due to the completion of the rights issue as disclosed in the "Use of Proceeds" section below.

As at 31 December 2025, the Company's number of issued shares was 3,417,990,570 shares (2024: 2,278,660,380 shares).

Use of Proceeds

On 30 July 2025, the Company proposed to issue by way of rights (the “Rights Issue”) up to 1,139,330,190 new shares (the “Rights Share(s)”) at a subscription price of HK\$0.12 per Rights Share on the basis of one (1) Rights Share for every two (2) existing shares of the Company. The aggregate nominal value of the Rights Shares was HK\$113,933,019. The reasons for the Rights Issue were: (i) to activate the margin financing business of the Group; and (ii) for general working capital of the Group. The Rights Issue had been completed on 9 September 2025 and an aggregate of 1,139,330,190 new shares had been allotted and issued by the Company. The gross proceeds from the Rights Issue were approximately HK\$136.7 million and the net proceeds from the Rights Issue, after deducting all relevant expenses for the Rights Issue, were approximately HK\$136.0 million. The net price per Rights Share was approximately HK\$0.119. The closing market price per share of the Company on 30 July 2025 (being the date on which the terms of Rights Issue were fixed) was HK\$0.144. Details of the Rights Issue were disclosed in the Company’s announcements dated 30 July 2025 and 8 September 2025, and the Company’s prospectus dated 18 August 2025.

As at 31 December 2025, the intended use and actual use of the net proceeds from the Rights Issue, as well as the unutilised net proceeds therefrom were as follows:

	Intended use of net proceeds from the Rights Issue HK\$ million	Actual use of net proceeds as at 31 December 2025 HK\$ million	Unutilised net proceeds as at 31 December 2025 HK\$ million	Expected timeline for the intended use
Activation of margin financing business	116.0	92.7	23.3	Before 31 December 2026
General working capital	20.0	14.5*	5.5	Before 31 December 2026
	<hr/>	<hr/>	<hr/>	
Total	<u>136.0</u>	<u>107.2</u>	<u>28.8</u>	

* Use of net proceeds for general working capital included employee benefit expenses of approximately HK\$11.1 million, office rent and related expenses of approximately HK\$0.9 million and other expenses of approximately HK\$2.5 million.

Commitments

As at 31 December 2025 and 2024, the Group had no outstanding contracted capital commitments.

Charges on Group Assets

As at 31 December 2025 and 2024, the Group had no assets under pledge.

Significant Investments, Acquisitions and Disposals

Perpetual notes issued by BNP Paribas (“BNP”), (the “BNP Notes”)

On 4 December 2025, the Board resolved to, through subsidiaries of the Company, purchase the BNP Notes issued by BNP, with principal amount of USD1,750 million and coupon rate of 4.5% and first call date of 25 February 2030 at a discount. The Group purchased a nominal amount of USD5.8 million at approximately HK\$40.6 million of the BNP Notes as at 4 December 2025. Details of the transaction were disclosed in the Company’s announcement dated 4 December 2025.

As at 31 December 2025, the Group held total USD6.8 million nominal amount of the BNP Notes and total cost of approximately HK\$47.4 million.

As at 31 December 2025, the fair value of the BNP Notes was approximately HK\$50.4 million (representing 5.9% of the Group’s total assets). No realised gain/loss and dividend was recorded but unrealised gain of approximately HK\$2.3 million and received coupons of approximately HK\$1.2 million from the BNP Notes were recognised during the Current Reporting Period.

BNP is a company incorporated in France as a public limited company and listed on the Euronext Paris (stock code: BNP.FP). BNP is a global renowned and well capitalised banking and financial services group.

Performance of BNP Notes’ issuer, BNP:

As at 31 December 2025, the common equity tier 1 ratio (“CET1 ratio”) of BNP and its subsidiaries (“BNP Group”) stood at 12.6%, well above supervisory review and evaluation process requirements (10.52%), and the liquidity coverage ratio stood at 134%.

For the full year 2025, revenues of BNP Group came to EUR51,223 million, up by 4.9% compared with 2024.

Corporate & Institutional Banking (“CIB”) revenues (EUR18,997 million) rose by 5.6% compared to 2024, driven by increased revenues at Global Markets (up 9.1% compared with 2024) and Securities Services (up 8.1% compared with 2024).

Commercial, Personal Banking & Services (“CPBS”) revenues increased by 2.6% to EUR26,717 million. Commercial & Personal Banking rose by 5.3%, driven by the combined effect of stronger euro zone growth, which is in line with the announced trajectory, and growth at Europe-Mediterranean (up 16.1% compared with 2024). Despite their fourth quarter rebound, Specialised Businesses revenues decreased overall in 2025 (down 2.0% compared with 2024), due to the normalisation of Arval used-car prices at the level of Arval & Leasing Solutions (down 11.0% compared with 2024), an impact that ends the first quarter of 2026. Personal Finance, in contrast, achieved a good increase in revenues (up 4.1% compared with 2024).

Investment & Protection Services (“IPS”) revenues including AXA Investment Managers (“AXA IM”) amounted to EUR6,929 million (up 19.6% compared with 2024, up 6.1% compared with 2024 excluding AXA IM), driven by the integration of AXA IM and good performances at Insurance (up 8.1% compared with 2024), Wealth Management (up 9.0% compared with 2024), and Asset Management (up 1.2% compared with 2024). IPS consolidated AXA IM’s revenues which amounted to EUR782 million.

Operating expenses came to EUR31,374 million, up by 3.9% compared to 2024. They nonetheless remained under control when excluding the consolidation of AXA IM (up 1.6% compared with 2024), thanks mainly to operating efficiency measures, resulting in savings of EUR800 million, above the EUR600 million announced in the trajectory. At the group level, the jaws effect stood at 1.0%, and the cost-income ratio at 61.2%, an improvement compared to 2024 (61.8%). At the level of operating divisions, operating expenses were up by 3.1% at CIB and by 0.9% at CPBS (up 1.0% at Commercial & Personal Banking and up 0.5% at Specialised Businesses). They rose by 16.5% at IPS (up 1.1% compared with 2024 excluding AXA IM).

Gross operating income thus came to EUR19,849 million in 2025, up by 6.5% compared to 2024 (EUR18,638 million).

Cost of risk came to EUR3,350 million (EUR2,999 million in 2024). Other net losses for risks on financial instruments amounted to EUR203 million, and non-operating items to EUR769 million in 2025.

Pre-tax income thereby amounted to EUR17,065 million, up by 5.4% compared to 2024 (EUR16,188 million), and net income attributable to the BNP Group came to EUR12,225 million (up 4.6% compared with 2024), in line with the target figure (greater than EUR12,200 million). As of 31 December 2025, return on tangible equity (“RoTE”) stood at 11.6%, in line with the 11.5% target.

Prospects of BNP Notes' issuer, BNP:

BNP Group raised its 2028 targets. Particulars are as follows:

- RoTE 2028: over 13%

The upward revision of the 2028 RoTE target (new target above 13%, versus previous target of 13%) results from strategic plans already underway at Commercial & Personal Banking in France and Belgium, Personal Finance, Arval, and Asset Management, and will be more broadly carried by the three divisions, CPBS, CIB and IPS.

- 2028 cost-income ratio: below 56%

The 2028 cost-income ratio target is also revised (new target below 56% versus previous target of around 58%). The BNP Group is launching a structural transformation plan for support functions to amplify the benefits of growth at marginal cost resulting from the operating efficiency measures taken since 2022.

In 2025, these measures produced EUR800 million in recurring cost savings, above the EUR600 million projected. Additional measures planned for 2026 are expected to produce another EUR600 million, which would bring total recurring cost savings for 2022-2026 to EUR3,500 million, above the EUR2,900 million equivalent initially projected and broken down by operating division as follows: CPBS 54%, CIB 32%, and IPS 14%. Such measures have historically allowed the BNP Group to reduce its cost-income ratio by about 6% between 2021 (67.3%) and 2025 (61.2%), or an annual average of 1.5%. The structural transformation plan for support functions will help accelerate the improvement in cost-income ratio beginning in 2027, with the ratio expected to improve below 56% by 2028.

- 2025-2028 net income compound annual growth rate: over 10%

The BNP Group announces a new objective for net income attributable to the BNP Group. On the back of strong revenue growth and a significant improvement in the cost-income ratio, average annual growth in net income, the net income attributable to the BNP Group is expected to exceed 10% between 2025 and 2028. This marks an acceleration, as the average annual growth target for 2024-2026 stands at 7%. On this basis, double-digit average annual growth in earnings per share can be expected between 2025 and 2028, making it possible to raise shareholder return during the period.

- CET1 ratio (post-Fundamental Review of the Trading Book (“post-FRTB”)) as at 31 December 2027 and 31 December 2028: 13%

The BNP Group reiterates its 13% post-FRTB CET1 ratio target for 31 December 2027 and 31 December 2028. The BNP Group’s capital trajectory combines disciplined growth with shareholder return. It is based in particular on: (i) an acceleration of organic capital generation, thanks to higher net income; (ii) the divestment cycle that has begun, with an estimated net impact of 13 basis points on the CET1 ratio; and (iii) disciplined organic growth in risk-weighted assets (around 2% per year) including securitisations.

Distribution to shareholders of BNP of surplus CET1 above 13% ratio, in addition to the 60% payout ratio, will be determined on an annual basis from 2027, with the BNP Group’s priority being to generate capital to reach the targeted 13% ratio as swiftly as possible.

Investment strategy in BNP Notes:

In view of the decent yield, the Group intends to hold the investment.

Perpetual notes issued by Standard Chartered PLC (“SC Bank”), (the “SC Notes”)

As at 31 December 2025, the Group held total USD7.0 million nominal amount of the SC Notes and total cost of approximately HK\$47.3 million.

As at 31 December 2025, the fair value of the SC Notes was approximately HK\$53.1 million (representing 6.2% of the Group’s total assets). No realised gain/loss and dividend was recorded but unrealised gain of approximately HK\$3.3 million and received coupons of approximately HK\$2.3 million from the SC Notes were recognised during the Current Reporting Period.

SC Bank was incorporated in England and Wales as a public limited company and its shares are listed on the Main Board of the Stock Exchange (stock code: 2888) and London Stock Exchange (stock code: STAN.LN). SC Bank is an international banking and financial services group with a focus on the markets of Asia, Africa and the Middle East.

Performance of SC Notes' issuer, SC Bank:

The SC Bank and its subsidiaries (“SC Group”) remains well capitalised and highly liquid with a strong and diverse deposit base. The liquidity coverage ratio of 155% reflects disciplined asset and liability management. The CET1 ratio of 14.1% is above the SC Group’s target range of 13% to 14%, enabling the board of the SC Bank to announce a further USD1.5 billion share buyback programme to commence imminently.

Operating income grew by 6% to USD20.9 billion or 8% excluding the notable items, driven by record performance in Wealth Solutions and Global Markets and strong double-digit growth in Global Banking.

Net interest income (“NII”) of USD11.2 billion was up by 1%, as the benefit from higher volumes and improved balance sheet mix was partly offset by the impact of lower interest rates leading to margin compression, albeit pass-through rates remain robustly managed.

Non NII of USD9.7 billion increased by 13% or 17% excluding the notable items. This was driven by record performance in Wealth Solutions from continued momentum in new clients onboarding and growth in net new money, strong performance in Global Banking from higher origination and distribution volumes and robust growth in Global Markets from client flow income. Ventures realised a USD238 million gain from the Solv India transaction.

Operating expenses of USD12.3 billion increased by 4%. This was largely driven by continued investments into business growth initiatives, including strategic hiring of Relationship Managers in Wealth & Retail Banking (“WRB”) and coverage bankers in Corporate & Investment Banking (“CIVB”) and higher performance related compensation reflecting a combination of strong profitability, share price increases and a change in regulation which enabled the acceleration of deferred bonuses. This was partly offset by efficiency saves, primarily linked to the Fit for Growth programme. The cost-to-income ratio improved by 1 percentage point to 59%.

Credit impairment charge of USD676 million represents a loan loss rate of 19 basis points, in line with the prior year. WRB impairment of USD595 million was down USD28 million, reflecting portfolio optimisation actions. The USD59 million charge in Ventures was down USD14 million year-on-year as delinquency rates improved in Mox. CIVB impairment was a net charge of USD4 million, up USD124 million from the non-repeat of prior year releases.

Other impairment of USD42 million decreased by USD546 million year-on-year primarily due to lower software asset write-offs.

Profit from associates and joint ventures was up 42% to USD71 million mainly reflecting higher profits at China Bohai Bank.

Restructuring, Fit for Growth, Debit Valuation Adjustment (“DVA”) and other items totalled USD937 million (2024: USD797 million). Restructuring of USD320 million reflects the impact of actions to simplify technology platforms and business exits (2024: USD285 million). Charges to structurally improve productivity through the Fit for Growth programme totalled USD531 million (2024: USD156 million). Movements in DVA were a negative USD31 million (2024: negative USD24 million) while Other Items were a USD55 million charge (2024: USD332 million).

Taxation was USD1.9 billion on reported basis, with an underlying effective tax rate of 25.3% down 5.3% year-on-year reflecting a favourable change in the geographic mix of profits, reduced impact of deferred tax not recognised for United Kingdom losses and beneficial adjustments for prior period items.

Underlying RoTE increased by 300 basis points to 14.7% reflecting increased profits, a lower underlying effective tax rate, and gains on SC Ventures equity investments recognised through fair value movements in other comprehensive income. Reported RoTE increased 220 basis points to 11.9% from an 18% increase in profit before tax and 6% drop-in tax rate.

Underlying basic earnings per share increased US61.6 cents or 37% to US229.7 cents and reported earnings per share increased US54.1 cents or 38% to US195.4 cents.

Prospects of SC Notes’ issuer, SC Bank:

The SC Bank expects, in 2026, the SC Group’s reporting will move from an underlying to a reported basis, and their 2026 guidance below is set on this basis:

- Reported operating income growth year-on-year to be around the bottom end of 5-7% range at constant currency, within which, NII expected to be broadly flat year-on-year at constant currency.
- Reported cost to be broadly flat in constant currency including the final year of Fit for Growth charges.
- Statutory RoTE to be greater than 12%.

Investment strategy in SC Notes:

In view of the decent yield, the Group intends to hold the investment.

Save as disclosed above, there were no significant investments, acquisitions and disposals by the Group during the Current Reporting Period.

Contingent Liabilities

As at the date of this announcement and as at 31 December 2025 and 2024, the Board is not aware of any material contingent liabilities.

EVENT AFTER THE REPORTING DATE

On 5 February 2026, the Group sold a nominal amount of USD1.0 million at a discount at approximately HK\$5.9 million of the perpetual notes issued by NWD Finance (BVI) Limited and guaranteed by New World Development Company Limited (“NW Notes”). As at 5 February 2026, the Group sold total nominal amount of USD3.7 million of the NW Notes and other perpetual notes issued by NWD Finance (BVI) Limited and guaranteed by New World Development Company Limited, generating total sales proceeds of approximately HK\$21.4 million, with an expected realised gain of approximately HK\$6.5 million. Details of the disposal of NW Notes were disclosed in the Company’s announcement dated 5 February 2026.

Save as disclosed above, there are no important events affecting the Group which have occurred after the end of the Current Reporting Period and up to the date of this announcement.

PROSPECT

Our corporate finance business is mostly driven by the transactions mandates secured during the year and our team will remain active in specialty works which we are known for our competence, and to a lesser extent depends on annual retainers. Asset management business on the contrary provides a long term steady income supplemented by carried interest based on the performance of funds. Our team increased and expects to continue to negotiate additional funds under management. Securities broking business is expected to remain viable after achieving break-even in 2024, with further optimization of operations and business performance in 2025. The activation of margin financing business in 2025 will offer clients greater flexibility by allowing them to leverage their investments. Money lending business will continue to tread cautiously amidst the soft local economy.

DIVIDEND

No interim dividend was paid during the year. The Board has resolved to recommend for the approval of the Shareholders at the forthcoming AGM to be held on Friday, 22 May 2026 the payment of a final dividend of HK0.28 cent per share for the year ended 31 December 2025 (2024: a final dividend of HK0.28 cent per share and a special dividend of HK0.16 cent per share).

Subject to the approval by the Shareholders at the AGM, the proposed final dividend will be paid on Wednesday, 24 June 2026 to the Shareholders whose names registered in the register of members of the Company at the close of business on Thursday, 4 June 2026.

CLOSURES OF REGISTER OF MEMBERS

(1) For determining the entitlement to attend, speak and vote at the AGM

The forthcoming AGM is scheduled to be held on Friday, 22 May 2026. The register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement for attending the AGM will be on Tuesday, 19 May 2026. To be eligible to attend, speak and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2026.

(2) For determining the entitlement to the proposed final dividend

For determining the entitlement to the proposed final dividend for the year ended 31 December 2025, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Thursday, 4 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement of the proposed final dividend will be on Thursday, 4 June 2026. In order for a Shareholder to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 1 June 2026.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the applicable code provisions that were in force as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules during the Current Reporting Period.

AUDIT COMMITTEE REVIEW

The Board has established an audit committee in accordance with Rule 3.21 of the Listing Rules, and now comprises three Independent Non-Executive Directors, namely Mr. Chan Sze Chung (chairman of the audit committee), Mr. Suen Chi Wai and Mr. Sum Wai Kei, Wilfred and one Non-Executive Director, namely Mr. Kuo Jen-Hao.

The audit committee has reviewed the annual results for the Current Reporting Period.

SCOPE OF WORK OF BDO

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Current Reporting Period as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the Current Reporting Period. The work performed by BDO 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 BDO on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities nor sold or transferred treasury shares as defined under the Listing Rules during the Current Reporting Period.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
DA YU FINANCIAL HOLDINGS LIMITED
Lee Wa Lun, Warren
Managing Director

Hong Kong, 27 March 2026

As at the date of this announcement, the Non-Executive Director is Mr. Kuo Jen-Hao (Chairman), the Executive Directors are Mr. Lee Wa Lun, Warren (Managing Director), Mr. Xu Haohao, Mr. Lam Chi Shing and Ms. Li Ming, and the Independent Non-Executive Directors are Mr. Chan Sze Chung, Mr. Suen Chi Wai and Mr. Sum Wai Kei, Wilfred.