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CASH FINANCIAL SERVICES GROUP LIMITED

時富金融服務集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

ANNOUNCEMENT

OF

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The audited consolidated results of CASH Financial Services Group Limited (“Company” or “CFSG”) and its subsidiaries (“Group”) for the year ended 31 December 2025 together with the comparative figures for the last corresponding year are as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue			
Fee and commission income		54,812	27,957
Interest income		12,443	22,811
Total revenue	(3)	67,255	50,768
Other income		3,435	2,368
Other gains (losses)		14,139	21,883
Salaries and related benefits		(58,924)	(45,535)
Commission expenses		(11,877)	(4,777)
Depreciation		(6,789)	(10,570)
Finance costs		(4,585)	(9,985)
Impairment losses under expected credit loss model, net of reversal		(284)	(381)
Other operating expenses	(5)	(40,643)	(35,314)
Loss before taxation		(38,273)	(31,543)
Income tax (expense) credit	(6)	(3,637)	1,814
Loss for the year		(41,910)	(29,729)

	Note	2025 HK\$'000	2024 HK\$'000
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Fair value loss on financial assets at fair value through other comprehensive income ("FVTOCI")		–	(4,072)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		2,726	(591)
Other comprehensive income/(expense) for the year		2,726	(4,663)
Total comprehensive expense for the year		(39,184)	(34,392)
(Loss) profit attributable to:			
Owners of the Company		(38,528)	(35,102)
Non-controlling interests		(3,382)	5,373
		(41,910)	(29,729)
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(36,942)	(40,011)
Non-controlling interests		(2,242)	5,619
		(39,184)	(34,392)
Loss per share			
	(7)		
– Basic (HK cents)		(9.15)	(8.36)
– Diluted (HK cents)		(9.15)	(8.36)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property and equipment		3,817	10,294
Intangible assets		4,041	4,041
Club debentures		660	660
Other assets		4,159	4,280
Rental and utility deposits		951	1,137
Financial assets at fair value through other comprehensive income		4,806	4,806
Financial assets at fair value through profit or loss ("FVTPL")		4,518	4,592
		22,952	29,810
Current assets			
Accounts receivable	(8)	91,445	117,166
Contract assets		1,945	911
Loans receivable	(9)	12,298	7,686
Prepayments, deposits and other receivables		121,244	120,770
Financial assets at fair value through profit or loss		21,570	40,425
Fixed deposits with original maturity over three months		437	423
Bank balances – trust and segregated accounts		372,550	308,246
Bank balances (general accounts) and cash		77,127	88,488
		698,616	684,115
Current liabilities			
Accounts payable	(10)	411,808	351,582
Accrued liabilities and other payables		24,050	23,607
Taxation payable		505	2,015
Bank borrowings		34,000	46,025
Amounts due to fellow subsidiaries		21,776	29,805
Provision for restoration		2,902	1,630
Financial liabilities arising from consolidated investment funds		–	1,515
Lease liabilities		1,077	5,991
		496,118	462,170
Net current assets		202,498	221,945
Total assets less current liabilities		225,450	251,755

	2025 HK\$'000	2024 HK\$'000
Non-current liabilities		
Loan from a related party	22,507	25,103
Deferred tax liabilities	14,630	9,297
Lease liabilities	45	285
	<u>37,182</u>	<u>34,685</u>
Net assets	<u>188,268</u>	<u>217,070</u>
Capital and reserves		
Share capital	17,247	17,247
Reserves	162,973	189,533
	<u>180,220</u>	<u>206,780</u>
Equity attributable to owners of the Company	180,220	206,780
Non-controlling interests	8,048	10,290
	<u>188,268</u>	<u>217,070</u>

Notes:

(1) Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The disclosure requirements in HKFRS 7 “*Financial Instruments: Disclosures*” in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have material impact on the financial position and performance of the Group and the disclosure in the consolidated financial statements in the future.

HKFRS 18 “*Presentation and Disclosure in Financial Statements*” (“HKFRS 18”)

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

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

(3) Total revenue

Disaggregation of revenue from contracts with customers

	2025 HK\$'000	2024 HK\$'000
Type of services		
Broking services	16,831	11,816
Wealth management services	16,466	6,573
Investment management services	18,800	5,095
Handling and other services	2,715	4,473
Total	54,812	27,957

Interest income

	2025	2024
	HK\$'000	HK\$'000
Interest income arising from financial assets at amortised cost	12,443	22,811

Fee and commission income of HK\$36,012,000 (2024: HK\$22,862,000) is presented as financial services segment revenue and HK\$18,800,000 (2024: HK\$5,095,000) is presented as investment management segment revenue respectively in the segment information in note 4.

(4) Segment information

The Group is principally engaged in the following activities:

- provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund products;
- proprietary trading of equity securities and derivatives;
- provision of margin financing and money lending services; and
- provision of investment management services.

Reportable and operating segment

The Chief Executive Officer of the Company, being the chief operating decision maker (“CODM”), regularly reviews the income from financial services (including broking and wealth management services and proprietary trading activities) and investment management services for the purpose of resource allocation and performance assessment. This is the measure reported to the CODM for the purpose of resource allocation and assessment of performance.

Segment revenue and result

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss incurred by the segment before certain net foreign exchange loss, equity-settled share-based expenses and unallocated corporate expenses.

Right-of-use assets and lease liabilities are not allocated to segments for the measurement of segment assets and liabilities while depreciation of right-of-use assets and finance cost for lease liabilities are included in segment results. Certain financial assets at FVTPL are not allocated to segments for the measurement of segment assets while its fair value change on financial assets at FVTPL are included in segment results.

For the year ended 31 December 2025

	Financial services HK\$'000	Investment management services HK\$'000	Total HK\$'000
Revenue	48,326	18,929	67,255
RESULT			
Segment (loss)/gain	(17,150)	2,432	(14,718)
Net foreign exchange loss			(103)
Equity-settled share-based expenses			(10,382)
Unallocated corporate expense			(13,070)
Loss before taxation			(38,273)

For the year ended 31 December 2024

	Financial services HK\$'000	Investment management services HK\$'000	Total HK\$'000
Revenue	43,962	6,806	50,768
RESULT			
Segment (loss)/gain	(33,065)	9,152	(23,913)
Net foreign exchange loss			(45)
Unallocated corporate expenses			(7,585)
Loss before taxation			(31,543)

All the segment revenue is derived from external customers.

Segment assets and liabilities

All assets are allocated to the operating segments other than right-of-use assets included in property and equipment, financial assets at FVTOCI, certain financial assets at FVTPL, certain property and equipment and other receivables and cash. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

All liabilities are allocated to the operating segments other than lease liabilities, amounts due to fellow subsidiaries, loan from a related party, provision for restoration and taxation payable. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

As at 31 December 2025

	Financial services HK\$'000	Investment management services HK\$'000	Total HK\$'000
ASSETS			
Segment assets	578,062	109,246	687,308
Property and equipment			3,727
Financial assets at FVTOCI			4,806
Financial assets at FVTPL			4,518
Other unallocated assets			21,209
Consolidated total assets			721,568
LIABILITIES			
Segment liabilities	468,044	16,444	484,488
Lease liabilities			1,122
Amounts due to fellow subsidiaries			21,776
Tax payable			505
Loan from a related party			22,507
Provision for restoration			2,902
Consolidated total liabilities			533,300

As at 31 December 2024

	Financial services HK\$'000	Investment management services HK\$'000	Total HK\$'000
ASSETS			
Segment assets	568,213	122,678	690,891
Property and equipment			8,905
Financial assets at FVTOCI			4,806
Financial assets at FVTPL			4,592
Other unallocated assets			4,731
Consolidated total assets			713,925
LIABILITIES			
Segment liabilities	418,451	13,575	432,026
Lease liabilities			6,276
Amounts due to fellow subsidiaries			29,805
Taxation payable			2,015
Loan from a related party			25,103
Provision for restoration			1,630
Consolidated total liabilities			496,855

The Group's segment revenue from external customers determined based on location of operation of the Group and information about its non-current assets (excluding deposits and financial instruments) by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (Place of domicile)	48,455	45,673	12,401	19,262
PRC	18,800	5,095	276	13
Total	67,255	50,768	12,677	19,275

There were no customers for the years ended 31 December 2025 and 2024 contributing over 10% of the Group's total revenue.

(5) Other operating expenses

	2025 HK\$'000	2024 HK\$'000
Handling expenses:		
– dealing in securities	2,312	1,666
– dealing in futures and options	309	391
Advertising and promotion expenses	5,389	1,193
Telecommunications expenses	9,066	10,508
Auditor's remuneration	2,409	2,909
Legal and professional fees	5,454	3,827
Printing and stationery expenses	836	854
Repair and maintenance expenses	582	896
Travelling and transportation expenses	652	401
Water and electricity expenses	488	596
Office management fee and rates	3,636	1,930
Others	9,510	10,143
	40,643	35,314

(6) Income tax expense (credit)

	2025 HK\$'000	2024 HK\$'000
Current tax:		
– Hong Kong	–	–
– PRC	1,304	–
Over provision in prior years	(3,000)	–
Deferred tax	5,333	(1,814)
	3,637	(1,814)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

(7) Loss per share

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

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the purposes of basic and diluted loss per share	(38,528)	(35,102)
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	421,236,889	420,020,238

Notes:

- (a) As at 31 December 2024, the trustee of the share award scheme held 18,282,000 ordinary shares of the Company for the share award scheme. During the current year, these shares were granted in two tranches to grantees. The weighted average number of ordinary shares for the purpose of calculation of basic and diluted loss per share for the years ended 31 December 2025 and 2024 has been adjusted for the effect of shares held by the trustee pursuant to the share award scheme.
- (b) For the years ended 31 December 2025 and 2024, the computation of diluted loss per share has not taken into account the effects of share options which are anti-dilutive.

(8) Accounts receivable

	Notes	2025 HK\$'000	2024 HK\$'000
Accounts receivable arising from the business of dealing in securities:			
Clearing houses, brokers and dealers	(a)	13,464	33,756
Cash clients		10,708	8,678
		24,172	42,434
Accounts receivable arising from the business of margin financing			
Less: allowance for impairment	(b)	63,236	114,506
		(13,121)	(55,243)
		50,115	59,263
Accounts receivable arising from the business of investment management		834	–
Accounts receivable arising from the business of dealing in futures and options:			
Cash clients	(a)	184	184
Clearing houses, brokers and dealers		16,140	15,285
		16,324	15,469
		91,445	117,166

- (a) The normal settlement terms of accounts receivable arising from the business of dealing in securities are usually two days after trade date or at specific terms agreed with clients, brokers, dealers and accounts receivable arising from the business of dealing in futures and options are one day after trade date. As at 1 January 2024, accounts receivable from cash clients, brokers, dealers and clearing houses arising from the business of dealing in securities amounted to HK\$56,229,000.
- (b) The Group provides customers with margin financing for securities transactions secured by customers' securities held as collateral. Securities are assigned with specific margin ratios for calculating margin values. Additional funds or collateral are required if the amount of accounts receivable from margin clients outstanding exceeds the eligible margin value of the securities deposited.

The customers' listed securities can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. The Group is able to use clients' securities up to the amount of 140% of the accounts receivable from margin clients as collateral of the Group's borrowings. The accounts receivable from margin clients are repayable on demand and bear interest at commercial rates. As at 31 December 2025, accounts receivable from margin clients are secured by clients' pledged securities with fair value of approximately HK\$128,480,000 (2024: HK\$129,444,000), of which 33% (2024: 28%) of accounts receivable arising from the business of margin financing are fully collateralised.

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

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

(9) Loans receivable

	2025 HK\$'000	2024 HK\$'000
Revolving loans receivable denominated in:		
Hong Kong dollars	12,605	8,939
United State dollars	–	54
Less: allowance for impairment	(307)	(1,307)
	12,298	7,686

As at 31 December 2025, loans receivable has contractual interest rates ranging from 5% to 10% per annum (2024: from 6.1% to 10% per annum). Included in the carrying amount of loans receivable as at 31 December 2024, HK\$1,950,000 was loan to one director whilst as at 31 December 2025 and 2024, loans of HK\$312,000 and HK\$624,000 were made to one and two key management personnel respectively.

The carrying amount of the loans receivable has remaining contractual maturity dates as follows:

	2025 HK\$'000	2024 HK\$'000
On demand or within one year	12,298	7,686

(10) Accounts payable

	2025 HK\$'000	2024 HK\$'000
Accounts payable arising from the business of dealing in securities:		
Cash clients	315,566	260,012
Margin clients	71,605	63,487
Accounts payable to clients arising from the business of dealing in futures and options	24,637	28,083
	411,808	351,582

The settlement terms of accounts payable from the business of dealing in securities are usually two days after trade date, and accounts payable arising from the business of dealing in futures and options contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to clients arising from the business of dealing in futures and options are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Except for the accounts payable to clients arising from the business of dealing in securities which bear interest at a fixed rate, all other accounts payable are non-interest bearing.

Accounts payable amounting to HK\$372,550,000 (2024: HK\$308,246,000) are payable to external clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

(11) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the bank borrowings, amounts due to fellow subsidiaries, loan from a related party and lease liabilities, and equity attributable to owners of the Company, comprising issued share capital, accumulated losses and other reserves as disclosed in consolidated statement of changes in equity. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares and share options as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

Certain group entities are regulated by the Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Securities and Futures (Financial Resources) Rules ("SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout both years.

DIVIDEND

The directors of the Company does not recommend the payment of a dividend for the year ended 31 December 2025 (2024: nil).

REVIEW AND OUTLOOK

Financial Review

For the year ended 31 December 2025, the Group recorded revenue of approximately HK\$67.2 million. This represents an increase of 32.3% as compared to the previous year's revenue of approximately HK\$50.8 million. The Group's main revenue comprised of broking income of approximately HK\$16.8 million (2024: HK\$11.8 million), provision of wealth management services of approximately HK\$16.5 million (2024: HK\$6.6 million), approximately HK\$18.8 million from investment management services (2024: HK\$5.1 million), interest income of approximately HK\$12.4 million (2024: HK\$22.8 million), and approximately HK\$2.7 million from handling and other services (2024: HK\$4.5 million).

2025 marked a strong rebound for Hong Kong's capital markets, with trading volumes and fundraising activities surging significantly, reclaiming its spot as a top global IPO hub. The average daily turnover of Hong Kong securities market in 2025 was HK\$249.8 billion, increased from HK\$131.8 billion in 2024, which led to an increase in broking income from HK\$11.8 million in 2024 to HK\$16.8 million in 2025.

The Group's income from the provision of wealth management services increased significantly (2025: HK\$16.5 million; 2024: HK\$6.6 million). The notable growth in our wealth management and family office business reflected its continued development and expansion, driven primarily by strategic progress in key regions of Mainland China and enhanced product offerings. These results demonstrated the effectiveness of the Group's focused strategy to build a robust wealth management platform in priority economic regions.

Geopolitical conflicts during the year introduced significant fluctuations in global equity and commodity markets, heightening volatility and creating opportunities for certain investment strategies to effectively capture alpha from market dislocations. These dynamic conditions enabled our managed funds to deliver strong performance, contributing to robust growth in investment management services. Revenue from investment management services increased by approximately 268.6% to HK\$18.8 million in 2025 (2024: HK\$5.1 million), primarily driven by a substantial rise in assets under management alongside meaningful performance fee income earned from our managed funds. This strong year-on-year improvement demonstrated the effectiveness of our active management approach and the resilience of our strategies in navigating an uncertain and volatile market landscape.

The decrease in interest income of approximately HK\$10.4 million (2025: HK\$12.4 million; 2024: HK\$22.8 million) and finance cost of approximately HK\$5.4 million (2025: HK\$4.6 million; 2024: HK\$10.0 million) was mainly attributed to the decrease in market interest rates. To optimize returns, the Group actively reallocated its idle cash to term deposits during the year.

Salaries and related benefits increased by 29.5% (2025: HK\$58.9 million; 2024: HK\$45.5 million), mainly attributable to the one-off performance related incentives. These comprised share award expenses and share options expenses amounting to HK\$10.4 million during the year.

Commission expenses increased to HK\$11.9 million in 2025 (2024: HK\$4.8 million), representing an increase of 148%. This growth was in line with the increase in broking income and income from provision of wealth management services.

Depreciation decreased to HK\$6.8 million in 2025 (2024: HK\$10.6 million), mainly due to the renewal of lease terms during the year.

Overall, the Group recorded a net loss attributable to the owners of the Company of approximately HK\$38.5 million during the year as compared to a net loss attributable to the owners of the Company of approximately HK\$35.1 million in 2024.

Impairment Allowances

Impairment allowance mainly consisted of provision for credit losses on accounts receivables arising from margin financing and loans receivables, the Group performs impairment assessment on these financial assets under the impairment framework and methodology of expected credit loss (“ECL”) model established by the Group in accordance with HKFRS 9 “Financial instruments”.

To minimise the credit risk on accounts receivables arising from margin financing and loans receivable, the Credit and Risk Management Committee is responsible for reviewing credit and risk management policies, approving credit limits and to determining any debt recovery actions on delinquent receivables. The assessment is based on close monitoring, evaluation of collectability and on management’s judgement, including but not limited to ageing analysis of receivables, the current creditworthiness, account executives concentration analysis, collateral distribution and concentration analysis and the past collection history of each client, and consideration of forward looking factors. In this regard, the directors of the Company consider that the Group’s credit risk is maintained at an acceptable level.

The accounts receivables arising from margin financing are collateralised by pledged shares of margin clients. As at 31 December 2025, the Group had concentration of credit risk on the accounts receivables from margin clients as the aggregate balances with the five largest clients represent approximately 66.2% (2024: 61.0%) of total accounts receivables from margin clients. During the year, margin financing with the total gross carrying amount of approximately HK\$26.7 million as at 31 December 2025 (2024: HK\$80.3 million) was assessed as credit-impaired mainly due to further decline in the market price of listed securities pledged as collateral in the year and failure of the margin borrowers to fully make up the margin shortfall by providing additional collaterals or repayment. Additional impairment provision with a total amount of approximately HK\$0.04 million (2024: HK\$0.5 million) was made for the year.

For credit-impaired accounts receivable from margin clients, management performs individual assessment for each client by considering various factors, including the realisable value of securities or collateral from clients which are held by the Group and subsequent settlement actions.

During the year ended 31 December 2025, the Group writes off loan receivable amounting to HK\$1.24 million (2024: nil) when there was information indicating that the debtor was in severe financial difficulty and there was no realistic prospect of recovery, such as when the debtor was placed under liquidation or entered into bankruptcy proceedings. The Group has taken legal action against the debtors to recover the amount due.

The Group has debt recovery procedures in place. For any loans with shortfall and/or overdue payments, demand letters and/or legal letters will be issued. If the borrower does not respond, the Group may engage external legal advisors for legal actions. At the same time, the Group will contact the borrower for additional collateral and/or settlement plan. The Group may also engage debt collection agents for such loan where appropriate. If the negotiation is not successful, or additional collateral is not sufficient or default in settlement plan, external legal advisors will issue final warning to the borrower. Subsequently, writs of summon will be served to the borrower to take proceedings to court.

Liquidity and Financial Resources

The Group's total equity amounted to HK\$188.3 million as at 31 December 2025 compared to HK\$217.1 million as at 31 December 2024. The decrease in the total equity was mainly due to the reported loss during the year. As at 31 December 2025, the Group's bank borrowings collateralised by clients' pledged securities to the Group of approximately HK\$34.0 million (2024: HK\$46.0 million). As at 31 December 2025, the Group's outstanding borrowings also included unsecured loan from a related party of HK\$22.5 million (2024: HK\$25.1 million). All of the Group's borrowings were denominated in Hong Kong dollars. They were variable-rate borrowings and carried interest with reference to HIBOR or Hong Kong Prime Rate. As at 31 December 2025, cash and bank balances including fixed deposits and the trust and segregated accounts had decreased to HK\$450.1 million as at 31 December 2025 from HK\$397.2 million as at 31 December 2024. The Group derives its revenue and maintains bank balances in its house accounts mainly in Hong Kong dollars. Bank balances in its house accounts amounting to HK\$38.9 million and HK\$38.2 million at 31 December 2025 were denominated in Hong Kong dollars and other foreign currencies (mainly Renminbi and US dollar) respectively, whereas the bank balances in the trust and segregated accounts were denominated in the same currencies as those of the outstanding balances in the corresponding accounts payable.

The liquidity ratio as at 31 December 2025 decreased to 1.41 times from 1.48 times as at 31 December 2024. The gearing ratio as at 31 December 2025, which represents the ratio of interest bearing borrowings of the Group divided by the total equity, decreased to 30.0% from 32.8% as at 31 December 2024. The decrease in the gearing ratio reflects a relative improvement in the Group's financial leverage, primarily due to reduced borrowings and a slight improvement in negative equity. On the other hand, we have no material contingent liabilities at the end of the year. The Group's treasury policies are to secure healthy liquidity for running its operations smoothly and to maintain a sound financial position at all times throughout the period. Besides meeting its working capital requirements, cash balances and bank borrowings are maintained at healthy levels to meet its customers' investments needs while making sure all relevant financial regulations have been complied with.

Foreign Exchange Risks

The Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches at the end of the year.

Material Acquisitions and Disposals

During the year, CASH Trinity Bullion Limited (a wholly owned subsidiary of the Company) redeemed its investment in CASH Prime Value Equity OFC (the "Fund") at an aggregate redemption proceeds of approximately HK\$16 million. Upon completion of the redemption, the Fund is ceased to be a subsidiary of the Group and will be accounted for as financial assets at fair value through profit or loss in the financial statements of the Group. Details of the redemption was disclosed in the joint announcement of the Company and Celestial Asia Securities Holdings Limited dated 18 August 2025.

There is no important event affecting the Group which has occurred since the end of the financial period.

Fund Raising Activities

The Company did not have any fund raising activity during the year.

Capital Commitments

The Group did not have any material outstanding capital commitments at the end of the year.

Material Investments

As at 31 December 2025, the market values of a portfolio of investments held for trading amounted to approximately HK\$26.1 million (2024: HK\$45.0 million). A net gain on investments held for trading of HK\$12.4 million (2024: HK\$23.1 million) was recorded for the year. We did not have any future plans for material investments, nor addition of capital assets.

Financial and Operational Highlights

Revenue

(HK\$'m)	2025	2024	% change
Broking income	16.8	11.8	42.4%
Wealth management income	16.5	6.6	150.0%
Investment management services	18.8	5.1	268.6%
Handling and other services	2.7	4.5	(40.0%)
Interest income	12.4	22.8	(45.6%)
Group total	67.2	50.8	32.3%

Key Financial Metrics

	2025	2024	% change
The Group			
Net loss attributable to owners of the Company (HK\$'m)	38.5	35.1	9.7%
Loss per share (HK cents)	9.15	8.36	9.4%
Total assets (HK\$'m)	721.6	713.9	1.1%
Cash and bank balances (HK\$'m)	77.1	88.5	(12.9%)
Bank borrowings (HK\$'m)	34.0	46.0	(26.1%)
Financial services			
Annualised average fee income from broking per active client (HK\$'000)	1.8	1.2	50.0%
Investment management services			
Net (losses)/gains on financial assets at FVTPL (HK\$'m)	(1.7)	21.3	(108.0%)

Business Review and Outlook

FINANCIAL SERVICES BUSINESS – CFSG

Economic and Market Overview

In 2025, the Hong Kong economy demonstrated resilience amid global uncertainties, achieving a real GDP growth of 3.5%, supported by robust merchandise exports, a moderate recovery in investments, and government stimulus measures focused on fintech, green finance, and infrastructure development. As a cornerstone of the economy, the financial services sector continued to thrive as an international financial hub, ranking third in the Global Financial Centres Index. The sector benefited from ongoing digital transformation, with the Hong Kong Monetary Authority's "Fintech 2025" strategy driving adoption of advanced technologies, including AI, distributed ledger technology, and virtual assets.

However, challenges persisted, including geopolitical tensions, tariff escalations, and a vulnerable property market, which subdued demand for trade financing and pressured credit quality in exposed industries. Despite these headwinds, Hong Kong staged a decisive recovery to reclaim the top global position for capital raising for the first time since 2019, raising HK\$285.8 billion from 119 new listings, underscoring Hong Kong's role as a gateway for capital flows.

Hong Kong-domiciled funds recorded net inflows of US\$46.9 billion in the third quarter alone. Total assets under management (AUM) increased by 35.9% year-on-year to HK\$2.27 trillion, reflecting sustained investor confidence and market recovery. In the first three quarters of 2025, total gross insurance premiums increased by 32.5% year-on-year to HK\$637 billion, primarily driven by strong growth in long-term business, which saw revenue premiums from in-force policies rise by 36.6% to HK\$554.1 billion. This represents a significant acceleration from the 12.2% growth in the same period of 2024, supported by robust demand from mainland visitors, high-net-worth individuals, and overall economic activity.

Business Review

In 2025, CFSG exhibited strong resilience in a dynamic financial services environment marked by technological disruption and economic headwinds. We focused on innovation, customer-centric strategies, and operational efficiency to drive growth. This performance was underpinned by targeted investments in digital transformation which amplified our market presence and client engagement.

A key milestone was the launch of Quantphemes, Hong Kong's pioneering AI-powered quantitative trading platform, designed to democratise access to advanced algorithmic trading tools for retail and professional investors. This initiative not only expanded our fintech footprint but also garnered industry recognition, including the ET Net "Financial Tech Awards" for "Outstanding Artificial Intelligence Algorithm Trading Platform," affirming our innovation in AI-driven solutions. Additionally, our Deputy Chief Executive Officer, Mr. Jeffrey Kwan, was honoured as a "Forbes China Emerging Innovative Entrepreneur," highlighting our leadership in financial innovation and industry development.

In wealth management, the Family Office expanded its 3I services (Insurance, Investment, Immigration), achieving record Q1 insurance premiums and preparing for the launch of an Immigration & Education Centre in the second half. The Company also acted as Joint Bookrunner for the Green Tea Group and Jiaxin International Resources IPOs, demonstrating capital markets expertise.

To elevate brand awareness, we employed multifaceted strategies, including active engagement on mainstream social media platforms such as Facebook and IG. On these platforms, our activities focused on building community and promoting services through professional content. More broadly, we optimised online content and social media platforms with investment education, product insights, and market analyses delivered via short videos and graphics, achieving high engagement through data-driven optimizations.

Our CASH Family Office saw remarkable growth in digital visibility, with follower increases of 2,774% on Xiaohongshu (RedNote) and 3,603% on Douyin (TikTok), underscoring enhanced market influence and target audience reach. Other marketing efforts, including media coverage, industry events, and award promotions, bolstered credibility, while customer experience enhancements – such as streamlined service processes, ongoing education, and communication – fostered loyalty and organic referrals.

Marketing initiatives extended to strategic partnerships and community events, co-hosting lectures with professional institutions to broaden client acquisition. We maintained consistent brand identity across all touchpoints, reinforcing recognition in wealth management and family office services. These efforts complemented our core offerings in asset protection, wealth appreciation, inheritance planning, and family potential development, tailored for high-net-worth individuals.

Operationally, we prioritised agility to address challenges like tariff impacts and market volatility, refining supply chain equivalents in client onboarding and risk management. Customer satisfaction remained high, with proactive feedback mechanisms and personalised services contributing to strong retention rates. Despite sector-wide pressures, our focus on the “human touch” alongside AI integration differentiated us from pure digital competitors, enabling gradual improvements in key metrics like client acquisition and assets under management.

Overall, 2025 was a year of strategic advancement for CFSG, as we mitigated external risks through innovation and client-focused adaptations, solidifying our position as a trusted fintech and wealth management provider in Hong Kong.

Outlook

Looking to 2026 and beyond, CFSG is poised to capitalise on Hong Kong’s evolving fintech ecosystem, including anticipated growth in AI applications, virtual assets, and sustainable finance, amid economic expansion and continued regulatory support for innovation. We will deepen our commitment to the “Fintech 2025” framework by enhancing Quantphemes with advanced AI tools, aiming to capture a larger share of the retail and professional trading market.

Strategic priorities include expanding our family office services across Greater China, leveraging burgeoning opportunities in succession planning and portfolio diversification, while targeting high-net-worth inflows from immigration and talent schemes. We will invest in data analytics for personalised client experiences, cybersecurity enhancements, and operational resilience to counter geopolitical and economic uncertainties, such as tariff fluctuations and interest rate shifts.

Marketing efforts will continue to emphasise digital channels for broader reach, with functionality-focused campaigns on emotional themes like “Wealth Legacy” and “Family Prosperity,” timed around key festivals. Partnerships with banks and institutions will drive co-branded initiatives, while internal “action plans” ensure swift responses to market events.

In conclusion, as Hong Kong continues to thrive as the world’s preeminent Super Connector, CFSG is dedicated to establishing itself as a first-class, trusted partner for investment and wealth management. We strategically connect people, ideas, capital, and opportunities – driving the sustainable development of a better world. CFSG remains dedicated to empowering clients with innovative, reliable financial solutions. By anticipating challenges, embracing technology, and delivering exceptional value, we are committed to delivering long-term value for our stakeholders and upholding our commitment to exceptional customer service.

ALGO TRADING BUSINESS – CAFG

Economic and Market Overview

The Hang Seng Index rose 27.8% to close at 25,630.54 in 2025, marking its strongest annual gain since 2017. The year represented a decisive recovery for Hong Kong's capital markets, driven by a broad-based equity rally and the market's reinforced role as a critical bridge between Chinese issuers and global investors.

Fundraising activity more than doubled compared with 2024, supported by a strong pipeline of A+H listings and sustained investor demand for exposure to Chinese enterprises. Continued regulatory tensions between the U.S. and China cast uncertainty over the long-term viability of Chinese ADRs, prompting more companies to choose Hong Kong as their preferred listing destination. This structural shift in capital flows is expected to support further expansion of Hong Kong's IPO market in the coming years.

In commodities, escalating tariffs and trade frictions fuelled a flight to safe havens. Gold rose 65% to exceed USD4,500 per ounce, while silver posted its highest annual gain on record, rising 1.4x amid tightening supply and strong industrial demand. Base metals such as copper experienced a volatile upward trend, buoyed by supply shortages and demand linked to AI-related data centres and green infrastructure. These movements reflected not only fundamental imbalances but also heightened demand for liquidity and risk mitigation assets.

Business Review

Our strategic focus in fund management continued to demonstrate resilience. Together with our asset management arm, we manage an equity fund and a multi-strategy fund.

The CASH Prime Value Equity Fund, a long-only equity strategy integrating fundamental research with quantitative screening, delivered a 35% return in 2025, outperforming peers and the Hang Seng Index. Concentrated exposure to high-growth consumer, technology, and financial stocks contributed meaningfully to performance. Since its inception in September 2022, the Fund has achieved a cumulative gain of 58%.

The CASH Multi Strategy Fund, a dollar-neutral commodity arbitrage strategy, experienced its largest drawdown since launch. Market dislocations stemming from trade tensions, tariff retaliation, and geopolitical disruptions led to extreme price distortions in metals futures. The Fund recovered part of its losses in the latter half of the year as markets adjusted to new trading ranges.

Business Development

During the year, we made significant progress in product innovation and operational enhancement.

The investment mandate of the CASH Prime Value Equity Fund was strategically upgraded to include stock lending, derivatives, and futures. These enhancements are expected to broaden income sources and improve risk management flexibility during volatile periods.

We also advanced the development of a new thematic strategy focused on virtual assets, leveraging our quantitative research capabilities and AI-driven analytics. This initiative aligns with our long-term objective of diversifying our product offerings and capturing emerging growth opportunities in alternative investments.

On the distribution front, we strengthened collaboration with our sales force through structured training, product workshops, and client-focused sessions. We strengthened partnerships with external distributors and continued to explore digital channels to broaden our investor base, particularly family offices and high-net-worth clients.

Outlook

Following a robust recovery in 2025, we expect markets to shift from rebound to sustained expansion, supported by capital inflows, improving corporate earnings, and technological advances. Ongoing listing regime reforms and capital market initiatives are expected to reinforce Hong Kong's position as the premier gateway for companies seeking international capital. With over 350 IPO applications submitted by year-end, the 2026 IPO fundraising volume is projected to reach HKD350 billion, surpassing 2025 levels.

Hong Kong equities are expected to remain on an upward trajectory in 2026, supported by accommodative policy, strong IPO momentum, and earnings growth— particularly in technology. The CASH Prime Value Equity Fund is well-positioned to capture these opportunities, with its expanded mandate and data-driven approach supporting flexible portfolio management.

In global commodities, macro conditions favour continued strength in precious metals. Expected U.S. Federal Reserve rate cuts, a softer U.S. dollar, and persistent geopolitical uncertainty will spark interest in holding gold and silver. Meanwhile, China's supportive fiscal and monetary stance is expected to further drive metal demand.

Against a backdrop of geopolitical fragmentation and shifting global economic power, diversified exposures across geographies, currencies, and asset classes will be increasingly critical. The CASH Multi Strategy Fund, with its low correlation to traditional asset classes, remains an attractive tool for stable returns and portfolio diversification.

In 2026, we aim to expand the integration of virtual assets in our portfolio strategies and advance the development of our dedicated virtual asset fund. Operationally, we will continue to embed AI technologies into research, trading strategy development, and risk management workflows. This dual focus on innovation and disciplined execution positions the Group to strengthen its competitive advantage, support sustainable growth, and deliver long-term value for our investors.

EMPLOYEE INFORMATION

As at 31 December 2025, the Group had 104 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees for the year under review was HK\$58.9 million.

Benefits

The Company and some of its subsidiaries provide employee benefits including mandatory provident fund scheme, medical insurance scheme, discretionary share options, performance bonus and sales commission for their staff. The Company also provides its employees in the PRC with medical and other subsidies, and contributes to the retirement benefit plans.

Training

The Group has implemented various training policies and organised a number of training programmes aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as products knowledge, operational techniques, risk and compliance, customer service, selling techniques, graduate development and also professional regulatory training programmes as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance (“SFO”), to attend the requisite training courses to fulfill/comply with the continuous professional training as prescribed in the SFO. The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group’s history and strategy, corporate culture, quality management measures, rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee’s concerns; and by removing any potential barriers for job effectiveness and continuous learning.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “Model Code”) as the code governing the transactions of securities by the directors. After making specific enquiry to all directors, it is confirmed that all directors of the Company had complied with the relevant standard as provided in the Model Code throughout the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Company’s corporate governance practices are based on the principles as set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Listing Rules. During the financial year ended 31 December 2025, the Company has complied with all the CG Code, except for the following deviations:

- (1) Pursuant to code provision C.2.1, the roles of chairman and chief executive officer should be separate and not be performed by the same individual. Dr Kwan, the executive director and Chairman of the Board also acted as chief executive officer (“CEO”) of the Company during the underlying year. Dr Kwan is responsible for formulating the strategies and policies of the business development of the Group, providing leadership and overseeing the functioning of the Board. The dual role of Dr Kwan provides a strong and consistent leadership to the Board and is critical for efficient business planning and decisions of the Group. The CEOs of respective business units of the Group assisted Dr Kwan in performing CEO’s responsibilities and are responsible for formulating business plans and monitoring the business operation and development of the Group, and report regularly to the Chairman. The balance of power and authorities is also ensured by the operation of the Board and the senior management, which comprise experienced and high caliber individuals. In addition, the three independent non-executive directors of the Company provide independent and impartial opinion on issues to be considered by the Board. The Board is of the opinion that the current Board structure functions effectively.
- (2) Pursuant to the amendment of code provision B.3.5, which took effect on 1 July 2025, the Company is required to appoint at least one director of a different gender to the Nomination Committee. The Company was unable to meet this requirement immediately upon its effective date, as additional time was needed to identify and appoint a suitable candidate. On 1 September 2025, the Company appointed Ms Luke Wing Sheung Suzanne, independent non-executive director of the Company, as a member of the Nomination Committee. Following this appointment, the Company has complied with the code provision B.3.5.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments.

REVIEW OF RESULTS

The Group's audited consolidated results for the year ended 31 December 2025 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 year ended 31 December 2025 as set out in the final results announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the final results announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

On behalf of the Board
Bankee P. Kwan
Chairman & CEO

Hong Kong, 27 March 2026

As at the date hereof, the directors of the Company are:–

Executive directors:

Dr Kwan Pak Hoo Bankee, *BBS, JP*
Mr Kwan Teng Hin Jeffrey
Mr Cheung Tsz Yui Morton
Ms Wong Sze Kai Angela
Mr Lai Wai Kwong Daryl

Independent non-executive directors:

Mr Cheng Shu Shing Raymond
Dr Chan Ho Wah Terence
Ms Luke Wing Sheung Suzanne

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

* *For identification purpose only*