CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

時富投資集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

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 Celestial Asia Securities Holdings Limited ("Company" or "CASH") 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	(3)	**767,443**	883,657
Cost of inventories		**(410,825)**	(468,124)
Other income		**10,839**	7,773
Other gains and losses, net		**14,763**	19,399
Salaries, allowances and related benefits		**(154,092)**	(179,236)
Other operating, administrative and selling expenses	(5)	**(194,447)**	(207,903)
Impairment losses under expected credit loss model, net of reversal		**(284)**	(381)
Depreciation of property and equipment		**(8,100)**	(10,703)
Depreciation of right-of-use assets		**(75,526)**	(88,818)
Finance costs		**(17,424)**	(21,260)
Loss before taxation		**(67,653)**	(65,596)
Income tax (expense) credit	(6)	**(3,637)**	1,814
Loss for the year		**(71,290)**	(63,782)

	Note	2025 HK$'000	2024 HK$'000
Other comprehensive income (expense) for the year, net of income tax			
Items 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)
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**2,726**	(591)
		2,726	(4,663)
Total comprehensive expense for the year		**(68,564)**	(68,445)
Loss for the year attributable to:			
Owners of the Company		**(52,762)**	(58,266)
Non-controlling interests		**(18,528)**	(5,516)
		(71,290)	(63,782)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(50,036)**	(62,929)
Non-controlling interests		**(18,528)**	(5,516)
		(68,564)	(68,445)
Loss per share	(7)		
– Basic (HK cents)		**(65.37)**	(72.18)
– Diluted (HK cents)		**(65.37)**	(72.18)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2025** **HK$'000**	2024 HK$'000
Non-current assets			
Property and equipment		**10,821**	18,772
Right-of-use assets		**47,809**	68,494
Goodwill		**39,443**	39,443
Intangible assets		**47,501**	47,501
Rental and utilities deposits		**5,816**	8,326
Financial assets at FVTOCI		**4,806**	4,806
Financial assets at fair value through profit or loss ("FVTPL")		**4,518**	4,592
Other assets		**4,819**	4,940
Deferred tax assets		**5,450**	7,264
		170,983	204,138
Current assets			
Inventories – finished goods held for sale		**20,583**	22,830
Accounts receivable	(8)	**95,381**	118,179
Prepayments, deposits and other receivables		**150,506**	155,718
Contract assets		**1,945**	911
Loans receivables		**16,598**	10,886
Financial assets at FVTPL		**22,678**	41,490
Fixed deposit with original maturity over three months		**437**	423
Pledged bank deposits		**30,000**	32,818
Bank balances – trust and segregated accounts		**372,550**	308,246
Bank balances (general accounts) and cash		**160,111**	136,038
		870,789	827,539
Current liabilities			
Accounts payable	(9)	**525,159**	454,357
Financial liabilities arising from consolidated investment funds		**–**	1,515
Accrued liabilities and other payables		**72,147**	78,988
Contract liabilities		**56,697**	51,292
Taxation payable		**5,140**	6,652
Lease liabilities		**34,442**	45,855
Borrowings		**156,495**	175,127
		850,080	813,786
Net current assets		**20,709**	13,753
Total assets less current liabilities		**191,692**	217,891

Capital and reserves

	2025 HK$'000	2024 HK$'000
Share capital	**16,140**	16,144
Reserves	**(1,926)**	36,892
Equity attributable to owners of the Company	**14,214**	53,036
Non-controlling interests	**34,948**	43,094
Total equity	**49,162**	96,130
Non-current liabilities		
Borrowings	**82,507**	84,103
Deferred tax liabilities	**14,630**	11,111
Lease liabilities	**15,084**	26,547
Convertible bonds	**30,309**	–
	142,530	121,761
	191,692	217,891

Notes:

(1) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

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

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

(2) Application of Amendments to HKFRS Accounting Standards

Amendments to an HKFRS Accounting Standard that is mandatorily effective for the current year

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

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Company's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

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

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

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

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

The amendments to HKFRS 9 "*Financial Instruments*" ("HKFRS 9") clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

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 disclosure of financial position and performance of the Group.

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 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) Revenue

Disaggregation of revenue from contracts with customers

	2025	2024
	HK$'000	HK$'000
Types of goods or service		
Sales of furniture and household goods	**607,637**	726,159
Sales of electrical appliances	**47,151**	61,191
Sales of tailor-made furniture	**44,008**	43,672
Revenue from retailing segment	**698,796**	831,022
Investment management services	**20,187**	6,926
Broking services, wealth management services, handling and other services	**36,017**	22,898
Interest income arising from financial assets at amortised cost	**12,443**	22,811
	767,443	883,657
Timing of revenue recognition		
A point in time	**703,248**	833,059
Over time	**64,195**	50,598
	767,443	883,657
Geographical market		
Hong Kong	**748,643**	878,623
The People's Republic of China (the "PRC")	**18,800**	5,034
	767,443	883,657

(4) Segment information

Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered or services provided.

Specifically, the Group's operating and reportable segments are as follows:

Retailing	Sales of furniture and household goods and electrical appliances
Investment Management	Provision of investment management services to the fund investors
Other Financial Services	Provision of broking and wealth management services under the business operations of CASH Financial Services Group Limited ("CFSG")

Segment revenue and results

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

For the year ended 31 December 2025

	Retailing HK$'000	**Investment management HK$'000**	**Other financial services HK$'000**	**Consolidated HK$'000**
Revenue	**698,796**	**20,187**	**48,460**	**767,443**
Segment (loss) profit	**(10,219)**	**3,369**	**(37,163)**	**(44,013)**
Unallocated other income				**2,552**
Corporate expenses				**(20,167)**
Unallocated finance costs				**(6,025)**
Loss before taxation				**(67,653)**

For the year ended 31 December 2024

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
Revenue	831,022	6,926	45,709	883,657
Segment (loss) profit	(10,200)	10,366	(37,049)	(36,883)
Unallocated other income				258
Corporate expenses				(24,215)
Unallocated finance costs				(4,756)
Loss before taxation				(65,596)

All the segment revenue is derived from external customers.

Segment result represents the profit earned/loss incurred by each segment without allocation of certain other income, certain other gains and losses, corporate expenses and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

As at 31 December 2025

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	**281,881**	**125,366**	**596,551**	**1,013,798**
Unallocated right-of-use assets				**7,979**
Loans receivables				**4,300**
Unallocated financial assets at FVTPL				**1,008**
Unallocated prepayments, deposits and other receivables				**5,037**
Unallocated bank balances and cash				**19,650**
Total assets				**1,041,772**
LIABILITIES				
Segment liabilities	**367,440**	**25,866**	**463,409**	**856,715**
Unallocated accrued liabilities and other payables				**10,338**
Tax payable				**4,627**
Unallocated lease liabilities				**8,114**
Unallocated borrowings				**82,507**
Convertible bonds				**30,309**
Total liabilities				**992,610**

As at 31 December 2024

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	291,665	132,409	585,131	1,009,205
Unallocated right-of-use assets				4,373
Loans receivables				3,200
Unallocated financial assets at FVTPL				966
Unallocated prepayments, deposits and other receivables				3,603
Unallocated bank balances and cash				10,330
Total assets				1,031,677
LIABILITIES				
Segment liabilities	384,466	22,055	413,680	820,201
Unallocated accrued liabilities and other payables				10,099
Tax payable				15,269
Unallocated lease liabilities				5,875
Unallocated borrowings				84,103
Total liabilities				935,547

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

- all assets are allocated to the reportable and operating segment other than certain property and equipment, certain right-of-use assets, tax recoverable, deferred tax assets, loans receivables, certain financial assets at FVTPL, certain prepayments, deposits and other receivables and certain bank balances and cash; and

- all liabilities are allocated to reportable and operating segment other than certain accrued liabilities and other payables, taxation payable, certain lease liabilities, certain borrowings and convertible bonds.

Other segment information

For the year ended 31 December 2025

	Retailing HK$'000	**Investment management HK$'000**	**Other financial services HK$'000**	**Unallocated HK$'000**	**Total HK$'000**
Amounts included in the measure of segment profit or loss or segment assets:					
Additions of property and equipment	**1,428**	**–**	**106**	**–**	**1,534**
Additions of right-of-use assets	**53,259**	**–**	**1,582**	**–**	**54,841**
Interest income	**1,785**	**142**	**–**	**–**	**1,927**
Depreciation of property and equipment	**7,464**	**3**	**217**	**416**	**8,100**
Depreciation of right-of-use assets	**63,457**	**1,266**	**4,526**	**6,277**	**75,526**
Finance costs	**9,295**	**170**	**1,934**	**6,025**	**17,424**
Net gain/(loss) on financial assets at FVTPL	**–**	**(1,650)**	**14,730**	**–**	**13,080**
Write-down on inventories	**441**	**–**	**–**	**–**	**441**
Loss on disposal of property and equipment	**7**	**–**	**1,458**	**–**	**1,465**
Impairment losses under expected credit loss model, net of reversal	**–**	**–**	**284**	**–**	**284**

For the year ended 31 December 2024

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions of property and equipment	2,835	–	24	–	2,859
Additions of right-of-use assets	43,633	–	1,150	–	44,783
Interest income	2,417	–	–	82	2,499
Depreciation of property and equipment	8,835	10	1,858	–	10,703
Depreciation of right-of-use assets	74,753	1,604	7,099	5,362	88,818
Finance costs	12,349	123	4,032	4,756	21,260
Net gain on financial assets at FVTPL	–	21,335	1,723	–	23,058
Write-down on inventories	1,977	–	–	–	1,977
Loss on disposal of property and equipment	1,739	–	728	–	2,467
Loss on early termination at a lease	–	–	855	–	855
Impairment losses under expected credit loss model, net of reversal	–	–	381	–	381

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2025	2024
	HK$'000	HK$'000
Sales of furniture and household goods	**651,645**	769,831
Sales of electrical appliances	**47,151**	61,191
Broking and wealth management services	**48,460**	45,709
Management fee from investment management services		
– Fixed	**15,865**	1,851
– Variable	**4,322**	5,075
	767,443	883,657

Geographical information

The Group's operations are located in Hong Kong and the PRC.

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

	Revenue		**Non-current assets**	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**748,643**	878,623	**143,368**	179,137
PRC	**18,800**	5,034	**2,866**	13
	767,443	883,657	**146,234**	179,150

No customers individually contributed over 10% of the Group's revenue during both years.

(5) Other operating, administrative and selling expenses

	2025 HK$'000	2024 HK$'000
Auditor's remuneration	**4,415**	5,047
Handling expenses for securities dealing	**2,632**	1,666
Advertising and promotion expenses	**13,292**	12,446
Utilities expenses	**14,056**	14,783
Telecommunication expenses	**12,055**	13,927
Repair and maintenance expenses	**3,673**	4,471
Printing and stationery expenses	**2,065**	2,276
Licence and registration fee	**8,399**	9,130
Legal and professional fees	**11,802**	12,612
Travelling and entertainment expenses	**7,266**	6,761
Other selling and distribution expenses	**55,102**	59,408
Expenses relating to short-term and low-value leases	**397**	543
Variable lease payments	**3,534**	5,905
Rates and building management fee	**29,430**	33,066
Insurance	**3,505**	4,551
Others	**22,824**	21,311
	194,447	207,903

(6) Income tax (expense) credit

	2025 HK$'000	2024 HK$'000
Current tax:		
– Hong Kong Profits Tax	**–**	–
– PRC Enterprise Income Tax	**(1,304)**	–
Overprovisions in prior years	**3,000**	–
	1,696	–
Deferred tax	**(5,333)**	1,814
	(3,637)	1,814

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

Under the Law of the People's Republic of China on Enterprise Income Tax ("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 the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025	2024
	HK$'000	HK$'000
Loss		
Loss for the purposes of basic and diluted loss per share	**(52,762)**	(58,266)
Number of shares	**'000**	'000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**80,714**	80,720

The effect of assumed exercise of share options granted by CFSG are excluded in calculating the diluted loss per share for years of 2025 and 2024 because they are antidilutive.

(8) Accounts receivable

		2025	2024
	Notes	**HK$'000**	HK$'000
Accounts receivable arising from retailing business	(a)	**3,936**	1,013
Accounts receivable arising from the business of dealing in securities	(b)	**24,172**	42,434
Accounts receivable arising from the business of margin financing	(b)	**63,236**	114,506
Accounts receivable arising from the business of dealing in futures and options	(b)	**16,324**	15,469
Accounts receivable arising from the business of investment management		**834**	–
Less: allowance for impairment		**(13,121)**	(55,243)
		95,381	118,179

Notes:

(a) The Group allows an average credit period of 30 – 60 days to its corporate customers on retailing business. The ageing analysis based on the invoice date, which is approximately the revenue recognition date, is as follows:

	2025	2024
	HK$'000	HK$'000
0 – 30 days	**3,407**	782
31 – 60 days	**48**	33
61 – 90 days	**10**	43
Over 90 days	**471**	155
	3,936	1,013

As at 31 December 2025, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of HK$481,000 (2024: HK$198,000) which are past due as at the reporting date. Out of the past due balances, HK$471,000 (2024: HK$155,000) has been past due 90 days or more and is not considered as in default since the directors of the Company are of the opinion that the balances are still considered fully recoverable due to the management's historical experience on the settlement pattern or record from these debtors. The Group does not hold any collateral over these balances.

(b) 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 and they are repayable on demand subsequent to settlement date.

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 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) Accounts payable

		2025	2024
	Notes	**HK$'000**	HK$'000
Accounts payable arising from retailing business	(a)	**113,351**	102,775
Accounts payable arising from the business of dealing in securities	(b)	**387,171**	323,499
Accounts payable arising from the business of dealing in futures and options	(b)	**24,637**	28,083
		525,159	454,357

Notes:

(a) Trade creditors arising from retailing business principally comprise amount outstanding for trade purpose and ongoing cost. The credit period taken for trade purchases ranges from 15 to 90 days (2024: 15 to 90 days).

The following is an ageing analysis (from invoice date) of trade creditors arising from retailing business at the end of the reporting period:

	2025	2024
	HK$'000	HK$'000
0 – 30 days	**45,836**	50,670
31 – 60 days	**48,519**	37,270
61 – 90 days	**16,505**	11,071
Over 90 days	**2,491**	3,764
	113,351	102,775

(b) The settlement terms of accounts payable from the business of dealing in securities are 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.

(10) 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 debts, which include the lease liabilities and borrowings and equity attributable to owners of the Company, comprising share capital, reserves and accumulated losses. The management of the Group 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 as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

Following the acquisition of CFSG, certain subsidiaries of the Group are regulated by the Hong Kong Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Hong Kong 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 of the Group 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 the year.

DIVIDEND

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

REVIEW AND OUTLOOK

Financial Review

Financial Performance

For the year ended 31 December 2025, the Group recorded revenue and net loss attributable to owners of the Company of HK$767.4 million and HK$52.8 million, respectively, as compared to revenue of HK$883.7 million and net loss attributable to owners of the Company of HK$58.3 million, respectively, for 2024. The decrease in revenue was mainly attributable to decrease in revenue from retail business.

Retailing Business – PRICERITE GROUP

The Hong Kong retail sector navigated a turbulent first half of the year, as macroeconomic headwinds, subdued local consumer sentiment and intensifying global tension. In the first half of 2025, Hong Kong's retail sector saw a year-on-year sales decline, as consumers prioritised essentials and cost-effective alternatives in response to global economic fluctuations and cautious sentiment. Retail sales in the first half of 2025 reached HK$185 billion, representing a 3.3% decline in sales value and a 4.7% drop in sales volume as compared to 2024. The furniture sector experienced a 18.9% decline in sales value, partly due to a high base effect from 2024's surge tied to the proposed municipal solid waste charging scheme.

The Hong Kong retail sector regained growth momentum in the second half of 2025, driven by an overall improvement in consumption sentiment which was fueled by a solid rebound in inbound tourism along with prosperous stock market performance and stabilised property market. Overall retail sales value stabilized and delivered modest full-year growth of 1.0%, reaching a provisional total of HK$380.5 billion versus the previous year's decline. This marked a modest recovery from the previous year's decline. The final quarter of 2025 showed improving sentiment, with year-over-year increases exceeding 6% in the fourth quarter of 2025. However, certain sub-categories of the retail sectors continued to face shaky demand, in particular, the motor vehicles and parts and the furniture and fixture category.

In response to ongoing market challenges, Pricerite Group continued to implement strategic initiatives to strengthen operational resilience. These efforts focused on targeted promotions, enhanced inventory and logistics optimisation, improved sourcing capabilities and optimised cost structure and store network.

For the year ended 31 December 2025, Pricerite Group recorded revenue of HK$698.8 million and a net loss of HK$10.3 million as compared to a revenue of HK$831.0 million and a segment loss of HK$10.2 million for the retailing segment in 2024. The revenue decline was primarily attributable to subdued market sentiment and the optimisation of underperforming stores during the first half of 2025. As the strategic initiatives took effect, Pricerite Group successfully stabilised its performance and regained growth momentum in the second half of 2025, aligning with the broader Hong Kong retail sector's U-shaped recovery driven by rebounding inbound tourism, improving consumption sentiment, and supportive economic factors.

This turnaround demonstrates the Group's agility in adapting to headwinds through proactive cost management, operational efficiencies, and customer-focused enhancements, positioning it for more sustainable performance in the evolving retail landscape.

Investment Management Business – CAFG

Our investment management business delivered solid performance, reporting revenue of HK$20.2 million and a net profit of HK$3.4 million for the year ended 31 December 2025 as compared to revenue of HK$6.9 million and a net profit of HK$10.4 million in 2024. The Group's investment management business recorded exceptional growth in 2025. Heightened geopolitical tensions contributed to increased volatility across global equity and commodity markets, creating opportunities for CAFG's actively managed funds to capture alpha through disciplined investment strategies. Consequently, revenue from investment management services rose substantially by higher assets under management and performance fee income. This robust performance underscored the success of CAFG's active management approach and the resilience of its investment strategies in navigating a complex market environment.

Other Financial Services Business – CFSG (excluding investment management business through CAFG)

Hong Kong's capital markets experienced a strong rebound in 2025, with trading volumes and fundraising activities rising significantly, reaffirming the city's position as a leading global IPO hub. The average daily turnover of the securities market nearly doubled to HK$249.8 billion, driving an increase in broking income from HK$11.8 million to HK$16.8 million. CFSG reported revenue of approximately HK$48.5 million, representing a increase from the previous year's HK$45.7 million. Key revenue streams included broking income of HK$16.8 million (2024: HK$11.8 million), wealth management services of HK$16.5 million (2024: HK$6.6 million), interest income of HK$12.5 million (2024: HK$22.8 million), and handling and other services of HK$2.7 million (2024: HK$4.5 million). The strong performance of CFSG's wealth management and family office businesses reflected continued expansion in key Mainland China regions and enhancement of product offerings, demonstrating the effectiveness of CFSG's strategy to strengthen its wealth management platform across key markets.

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 advisers 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 equity attributable to owners of the Company amounted to HK$14.2 million as at 31 December 2025 as compared to HK$53.0 million at the end of the previous year. The decrease in equity was mainly due to net loss reported for the year. As at 31 December 2025, the Group had total outstanding borrowings of approximately HK$269.3 million as compared to HK$259.2 million as at 31 December 2024. The increase in borrowings was mainly due to the issue of convertible bonds during the year. The borrowings were mostly denominated in Hong Kong dollars comprising unsecured loans of approximately HK$112.8 million and secured loans of approximately HK$156.5 million. The above bank loans of approximately HK$156.5 million were secured by the Group's pledged deposits of HK$30.0 million and corporate guarantees. As at 31 December 2025, our cash and bank balances totalled HK$190.5 million as compared to HK$169.3 million at the end of the previous year. The decrease in cash and bank balances was mainly due to bank balances operating loss incurred during the year. The Group derives its revenue mainly in Hong Kong dollars and maintains its cash and bank balances mainly in Hong Kong dollars. The liquidity ratio as at 31 December 2025 was at 1.0 times, as compare to 1.0 times as at 31 December 2024. The gearing ratio, which represents the ratio of interest bearing borrowings excluding lease liabilities of the Group divided by the total equity, was 547.8% as at 31 December 2025 as compared to 269.7% as at 31 December 2024. The increase in gearing ratio was mainly due to the loss incurred during the year. 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 time throughout the year. 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 duly complied.

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 Acquisition and Disposals

During the year, CASH Trinity Bullion Limited (a wholly owned subsidiary of the Company held through CASH Financial Service Group Limited ("CFSG"), a 64.78% owned listed 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 each of the Group and the CFSG and its subsidiaries ("CFSG Group") and will be accounted for as financial assets at fair value through profit or loss in the financial statements of each of the Group and the CFSG Group. Details of the redemption was disclosed in the joint announcement of the Company and CFSG dated 18 August 2025.

Fund Raising Activities

Convertible Bonds
On 10 June 2025, the Company entered into subscription agreements with individual and corporate subscribers in relation to the issue of convertible bonds ("GM Convertible Bonds") under general mandate ("GM Subscription") in an aggregate principal amount of HK$20,000,000 at an initial conversion price of HK$1.25 per conversion share. Upon the full conversion of the GM Convertible Bonds, the GM Convertible Bonds will be converted into a total of 16,000,000 shares of the Company. The maximum aggregate nominal value of the conversion shares under the GM Convertible Bonds is HK$3,200.000.

On the same date, the Company also entered into a conditional subscription agreement with Cash Guardian Limited ("Cash Guardian"), a controlling shareholder of the Company and is beneficially owned by Dr Kwan Pak Hoo Bankee (chairman, chief executive officer and executive director of the Company), pursuant to which Cash Guardian has conditionally agreed to subscribe and the Company has conditionally agreed to issue the convertible bonds ("SM Convertible Bonds") under specific mandate ("SM Subscription") in an aggregate principal amount of HK$20,000,000. At an initial conversion price of HK$1.25 per conversion share. Upon the full conversion of the SM Convertible Bonds, the SM Convertible Bonds will be converted into a total of 16,000,000 shares of the Company. The maximum aggregate nominal value of the conversion shares under the SM Convertible Bonds is HK$3,200,000.

The net price per conversion share of both of the GM Convertible Bonds and the SM Convertible Bonds, which is calculated by dividing the aggregate net proceeds by the maximum number of the conversion shares based on the initial conversion price, is approximately HK$1.25.

The Directors consider that the GM Subscription and the SM Subscription will strengthen the financial position of the Group and support the business development of the Group.

The Company intends to utilise all the net proceeds from the subscriptions as general working capital towards the operation of the retailing business of the Group covering rental expenses, staff salaries, utilities expenses and other operating expenses, thereby strengthening the Group's financial position and supporting its business development. The net proceeds from the GM Subscription and the SM Subscription were fully utilised as of 31 December 2025.

The table below demonstrates the breakdown and description of the utilisation of the net proceeds from the GM Subscription and the SM Subscription:

	HK$' million
General working capital:	
1. Staff salaries and utilities expenses	24.4
2. Other operating expenses including distribution costs, administrative expenses and etc	15.6
	40.0

The GM Subscription was completed on 19 June 2025 and the SM Subscription was completed on 8 August 2025 subsequently.

Details of the subscriptions were disclosed in the announcements of the Company dated 10 June 2025, 19 June 2025 and 8 August 2025 and the circular of the Company dated 11 July 2025.

Capital Commitment

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

Material Investment

The market value of financial assets at FVTPL decreased from HK$46.1 million as at 31 December 2024 to approximately HK$27.2 million as at 31 December 2025. A net gain on financial asset at FVTPVL of HK$13.1 million (2024 HK$23.1 million) was recorded for the year. We do not any future plans for material investments, or addition of capital assets.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Revenue

(HK$'m)	2025	2024	% change
Retailing	698.8	831.0	(15.90%)
Investment management	20.2	6.9	192.75%
Other financial services	48.4	45.7	5.91%
Group Total	767.4	883.6	(13.15%)

Key Financial Metrics

	2025	2024	% change
The Group			
Loss for the year attributable to owners of the Company (HK'$m)	52.8	58.3	(9.43%)
Loss per share (HK cents)	65.37	72.18	(9.43%)
Total assets (HK$'m)	1,041.8	1,031.7	0.98%
Bank balances and cash (HK$'m)	190.5	169.3	12.52%
Borrowings (HK$'m)	269.3	259.2	3.9%
Retailing			
Revenue per sq.f.t (HK$)	3,578.0	3,849.0	(7.04%)
Growth for same stores (vs last year)	(10.80%)	(1.1%)	N/A
Inventory turnover days	19.24	20.6	(6.60%)
Investment management			
Net (loss)/gain of financial assets at FVTPL (HK$'m)	(1.7)	21.3	(107.98%)
Other Financial Services			
Annualised average fee income from broking per active client (HK$'000)	1.8	1.2	50.00%

Business Review and Outlook

RETAIL MANAGEMENT BUSINESS – PRICERITE GROUP

Economic and Market Overview

In 2025, Hong Kong's economy showed signs of gradual recovery amid lingering challenges from prior years. Overall retail sales for the full year recorded a modest increase of 1.0% in value compared to 2024. Although retail performance gained momentum in the latter part of the year, the sluggish market was still influenced by northbound spending, overseas travel by residents, and subdued consumer confidence due to geopolitical tensions and geo-economic fragmentation.

The furniture and fixtures segment remained under significant pressure as a discretionary category sensitive to economic conditions. Sales in this segment declined by 13.9% for the full year 2025. This sharper downturn relative to the broader retail sector was driven by high interest rates persisting into parts of the year, a softening property market with ongoing valuation adjustments, reduced consumer confidence in big-ticket purchases, and cautious household budgeting in compact living environments.

Business Review

Despite the broader retail sector's modest recovery and the furniture segment's notable decline for the year, Pricerite demonstrated resilience and strategic adaptability, focusing on our core strengths in providing total home solutions and expanding on our range of customisable, space-efficient offerings tailored to Hong Kong's compact living environments.

We proactively addressed market dynamics by implementing rigorous cost controls, closing underperforming stores to enhance operational efficiency, and exploring new revenue streams through revitalised product lines.

A pivotal highlight was the launch of Creations, a dedicated brand offering tailor-made furniture and renovation services specifically for public housing customers. This initiative aligned seamlessly with government efforts to increasing housing supply speed and quality, and improving living environments. With its more accessible price point, Creations not only appealed strongly to the public housing segment but also captured meaningful demand from increasingly cost-conscious private housing customers, who valued the combination of attractive pricing and the assurance of Pricerite's established local brand trust versus smaller players or non-local competitors.

Our TMF and Creations segment emerged as a standout performer, achieving record sales levels and serving as a key growth engine, underscoring the effectiveness of our integrated "total home solutions" model. This approach, which combines tailor-made furniture and value-added renovation services, helped customers solve household and space management challenges, particularly in the new housing markets.

Marketing and branding efforts remained robust and customer-centric, leveraging digital channels such as Facebook, WhatsApp, and social media to drive engagement. We continually optimised our marketing investment by channel to match evolving market behaviour; as digital platforms become increasingly crowded and customers grow less responsive to mainstream online advertising, we also explored innovative alternatives – including offline touchpoints – where our share of voice can be more prominent and advertising ROI further enhanced. Thematic campaigns like "Most Fitting Small Space in HK" (最Fit香港小小空間) for small-space solutions further solidified our standing and reinforced our core brand value and positioning, "Small Space • Big Universe".

During the year, Pricerite revamped the Custom-Made Furniture (任意改) series – first of its kind in Hong Kong allowing full alterations to size, colours, interiors (such as shelving layouts, drawers, or (compartments), and accessories – primarily to move beyond the limitations of traditional mass-produced, one-size-fits-all pieces that often leave awkward gaps, fail to match personal style, or suit unique room dimensions, instead empowering customers to create perfectly fitting, personalised space management solutions that harmonise with their spaces and lives for long-term customer satisfaction.

During the year, in alignment with the government's policy to support the silver market, we proudly launched our new "Silver Living" (銀優生活) line, a collection designed specifically for elderly customers seeking to maintain their independence, reinforcing our brand commitment to enabling safe and comfortable living at home. Resonating deeply with this demographic, the range achieved high engagement rates by addressing the nuanced needs of ageing in place. With a dedicated mission to growing alongside our customers, further building brand loyalty, we meticulously designed and developed thoughtful household and furniture solutions. Through this initiative, we successfully championed a future where our customers can thrive in the comfort and familiarity of their own homes, avoiding the need for institutional care.

Demonstrating our core principle of being "People-oriented," Pricerite also extended immediate and compassionate support to the residents directly affected by the devastating fire at Wang Fuk Court, Taipo. Through close collaboration with trusted NGO partners on the ground, we ensured that our aid was precisely targeted to meet the urgent needs of the displaced individuals and families. Our assistance comprised essential goods in kind, with a total value exceeding HK$1.3 million, donated to provide practical relief and comfort during this crisis. This endeavour embodies our unwavering commitment to being a people-centric and proudly local brand, dedicated to giving back to the Hong Kong community and delivering meaningful, direct support where it is most needed.

Our eShop channel complemented our offline presence effectively, with e-commerce and our store network working hand in hand to create sales synergies. Our offline presence allows customers to experience product quality first-hand, building confidence and trust – particularly for furniture, which typically involves higher ticket sizes and longer product lifecycles. In parallel, our eShop supports product discovery and an "endless aisle" that broadens choice beyond in-store assortments, while providing a convenient way to close purchases for customers who prefer to check out and manage orders independently. We also extended our reach through new roadshows and pop-up stores targeting new housing intakes, while store localisation strategies optimised product offerings and performance by location. Supply chain management was refined to improve inventory turnover, product assortment, and quality control, contributing to better customer service and profitability.

Throughout the year, Pricerite reinforced its brand positioning as a trusted Hong Kong provider of quality, high-value home solutions, emphasising "human touch" in customer service as a differentiator against pure-play e-commerce competitors. Awards for service excellence and quality, such as the Quality Service Retailer of the Year – Home and Living Products Category from the Hong Kong Retail Management Association, and Sing Tao Service Awards, further bolstered consumer trust, positioning us as a reliable partner for everyday needs. These efforts, combined with a focus on the "stay-at-home economy," enabled gradual stabilisation in key metrics, such as same-store sales, despite the tough market conditions.

Overall, 2025 was a year of strategic navigation, as we smoothly contended with structural retail challenges while investing in targeted innovations and operational streamlining. Our proactive measures not only mitigated downside risks but also laid a solid foundation for recovery, demonstrating our commitment to resilience and long-term value creation.

Outlook

Looking ahead to 2026 and beyond, Pricerite is well-positioned to capitalise on emerging opportunities in Hong Kong's evolving retail landscape, including anticipated rebounds in consumer sentiment and increased housing supply – both public and private. We will continue to adopt a proactive, customer-centric approach, integrating our established capabilities with innovative technologies to drive sustainable growth and maintain our competitive edge.

Over the past year, Pricerite consistently outperformed the broader retail market, surpassing industry sales figures in the Furniture and Fixtures sector for 9 out of 12 months. This strong track record highlights our growing market share and competitive strength. As we look ahead, we are confident that this momentum will enable us to capitalise on a less crowded local landscape, paving the way for enhanced profitability and sustained leadership in the industry.

Central to our strategy is the development plan for TMF and Creations, with 2026 focused on foundation building and capability enhancement. This includes deploying AI-powered tools for sales efficiency, upgrading customer service protocols, and revamping our store network. We aim to achieve aggressive growth by leveraging new housing data with the long-term goal of securing the No. 1 market share in tailor-made furniture for public housing.

We will further enhance operational excellence through supply chain revamps, emphasising data-driven decisions for consumer behaviour analysis, inventory planning, and marketing precision.

In conclusion, we remain steadfast in our mission to provide solutions that are quality assured and highly functional, addressing the specific needs of urban homes with a renowned focus on space management, all without sacrificing style and affordability. By anticipating challenges, investing in innovation, and delivering genuine value through our total home solutions model, we are committed to not only weathering the current environment but also thriving as a market leader.

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.

OTHER 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.

EMPLOYEE INFORMATION

At 31 December 2025, the Group had 477 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the year under review was approximately HK$154.1 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 product knowledge, customer service, selling techniques, presentation, communication, quality management, 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 and 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 code provision B.2.4 where all the independent non-executive directors of the Company have served more than nine years on the Board, the Company should appoint a new independent non-executive director on the board. Each of Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin had served the Company as an independent non-executive Director for more than nine years and the Company did not appoint a new independent non-executive Director. Mr Leung Ka Kui Johnny has served the Board for 25 years, Mr Wong Chuk Yan has served the Board for 27 years and Dr Chan Hak Sin has served the Board for 25 years. The Board considers that each of the three independent non-executive Directors have a through understanding of the Company's operations, do not involve in the Company's daily operations and have expressed independent advices to the Company in the past. The Board is also of the view that these three independent non-executive Directors are firmly committed to their responsibilities and ongoing role, and that the long service of these three independent non-executive Directors will not affect their independent judgements. The Board considers these three independent non-executive Directors to remain independent under the Listing Rules despite the fact that they have served the Company for more than nine years. The Board believes that the continued tenure of these independent non-executive Directors will help to maintain the stability of the Board as they have, over time, gained valuable insights into the business strategy and policies of the Group. Therefore, the Company did not appoint a new independent non-executive Director, which despite deviate from code provision B.2.4, would not be detrimental to the Company.

(3) 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, Mr Wong Chuk Yan and Ms Kwan Iec Teng Janet, the independent non-executive director and executive director of the Company respectively, were appointed as members of the Nomination Committee. Following these appointments, 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 auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion 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, the Company purchased a total of 22,000 shares of the Company ("Share(s)") on The Stock Exchange of Hong Kong Limited, details of which are as follows:

Date of purchase	Number of Shares purchased	Price paid per Share	
		Highest price paid HK$	Lowest price paid HK$
7 April 2025	10,000	0.78	0.78
17 April 2025	12,000	0.59	0.58

Save as disclosed above, the Company has not purchased, sold or redeemed any of its listed securities during the year ended 31 December 2025.

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 Kwan Iec Teng Janet

Independent non-executive Directors:

Mr Leung Ka Kui Johnny
Mr Wong Chuk Yan
Dr Chan Hak Sin

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

* *For identification purpose only*