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## **Value Convergence Holdings Limited**

*(Incorporated in Hong Kong with limited liability)*

Website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “Board”) of directors (the “Directors”) of Value Convergence Holdings Limited (the “Company”) submits the audited consolidated results of the Company and its subsidiaries (collectively “VC Group” or the “Group”) for the year ended 31 December 2025 together with the audited comparative figures of the corresponding period in 2024.

	<b>Year ended</b>	
	<b>2025</b>	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from continuing operations	<b>60,149</b>	69,062
Loss for the year from continuing operations	<b>(62,891)</b>	(127,029)
Loss attributable to owners of the Company	<b>(62,603)</b>	(128,425)
Loss for the year from a discontinued operation	–	(2,117)
Loss per share (HK cents)		
Continuing and discontinued operations		(Restated)
Basic	<b>(23.85)</b>	(51.73)
Diluted	<b>(23.85)</b>	(51.73)
Continuing operations		
Basic	<b>(23.85)</b>	(51.17)
Diluted	<b>(23.85)</b>	(51.17)
Final dividend per share (HK cents)	<b>Nil</b>	Nil

## **MANAGEMENT DISCUSSION AND ANALYSIS**

VC Group is an established financial services group committed to delivering premier financial services and products that fulfill various investment and wealth management needs of clients in the Greater China region. The Group's expertise includes (i) provision of financial services comprising securities brokering and dealing, financing services, corporate finance and other advisory services, asset management and insurance brokerage; (ii) proprietary trading; and (iii) property investment.

### **INDUSTRY OVERVIEW**

Following cyclical adjustments, institutional reforms, and liquidity recovery, Hong Kong's capital market has broken through previous constraints and achieved a remarkable upward trajectory. In 2025, Hong Kong reclaimed the top spot in global IPO market rankings for the first time since 2019, raising over HK\$280 billion – a surge of 224% year on year. The year saw Hong Kong's stock market welcome 119 new listings, a 68% increase from 2024. The Hang Seng Index (“HSI”) rose by 28% over the course of the year, marking its best annual performance since 2017. The Hang Seng TECH Index climbed by 23% during the same one-year period.

Whilst the market experienced volatility after the US announced new tariff policies in April, global trade tensions alleviated after the US signed trade deals with major trading partners and Sino-US trade negotiations progressed with positive developments. Optimism over monetary easing by major central banks and easing concerns about the global economic outlook also lent support. In 2025, the RMB strengthened by 4.5% to a 32-month high at one point, which further boosted investor interest. From international investors' perspective, a stronger RMB implies better reported earnings for Mainland stocks in Hong Kong dollar terms. In late 2025, investors became cautious about the sustainability of the market rally. Profit-taking activities grew as the market accumulated substantial gains, especially after the HSI hit a four-year high in October.

The industrial composition of Hong Kong IPOs is undergoing a historic transformation. The traditional dominance of the internet, financial, and real estate sectors has been completely overturned, with advanced technology and manufacturing, biomedicine, and new consumer industries emerging as the three pillars supporting the market. A wave of hard-core assets such as new energy, semiconductors, intelligent vehicles, and high-end equipment has listed en masse, injecting strong manufacturing fundamentals into Hong Kong stocks.

From a macro perspective, the recovery of Hong Kong IPOs in 2025 is not accidental but rather an inevitable result of multiple converging cycles. Factors such as improved global liquidity conditions, the repair of long-term valuation troughs in Hong Kong stocks, increased demand for global financing of high-quality Mainland assets, and the continuous enhancement of Hong Kong's institutional advantages have collectively driven this market resurgence. Behind this lies the consolidation of Hong Kong's status as an international financial center, as well as a concentrated manifestation of the global appeal of Chinese assets.

## **BUSINESS REVIEW**

Leveraging its financial prowess and extensive experience in the financial services industry throughout 2025, the Group continued to provide high-quality services to its clients. Amid market volatility, in addition to maintaining the sound operation of its core brokerage and financing businesses, the Group also sought to achieve progress in different business sector in Real-World Assets (“RWA”) by set up a joint venture company. The expansion of these businesses contributed as another sources of customer bases for the Group.

While the Group still incurred losses in 2025, the results showed improvement compared the previous year. This was attributed to a slower decline in the value of proprietary holdings and a reduction in impairment losses on accounts receivable recognised during the year.

The Group’s principal revenue streams were derived from its traditional brokerage and financing operations, collectively contributing approximately 82% of its total revenue. During 2025, the Group maintained its provision of various financial services, including local and overseas securities trading, placements, underwriting, and margin financing through VC Brokerage Limited (“VC Brokerage”). Additionally, the Group offered financing services through VC Finance Limited (“VC Finance”). The Group also took on the role of placing agent and underwriter for fundraising activities of Hong Kong-listed companies. It provided a range of financial and strategic advisory support services to clients, including offering corporate finance and other advisory services such as mergers and acquisitions advisory through VC Capital Limited (“VC Capital”) and company secretarial services through VC Corporate Services Limited (“VCCS”). Due to market upturn, the Group’s brokerage commission and other related fees and underwriting, sub-underwriting, placing and sub-placing commissions, and asset management increased, except for insurance brokerage, which had a reduction in segment revenue.

During 2025, the Group continued to spearhead the expansion of its securities trading services through VC Brokerage. Capturing the opportunities arising from the market structure reform, the Group’s senior management team proactively reached out and attracted more clientele from Mainland China and different countries.

Included in financial assets at fair value through profit or loss, the Group held financial assets for trading, comprising equity securities listed in Hong Kong, worth approximately HK\$86.1 million as of 31 December 2025, a 26% decrease in market value from the previous year against the slightly drop in equity market and the disposals of holding shares. During the 2025, the Group held stocks mainly in consumer goods and services, which tumbled on weak corporate earnings. The Group generally invested in high-beta stocks whose volatility level was above that of the broader market, so the business segment faced fluctuations during the 2025.

The Group's focus on diversification was in evidence, as was its proactive approach to adapting to ever-changing market dynamics and exploring emerging opportunities.

#### **Disclosable transaction – disposals of Virtual Mind Holding Company Limited's shares**

The Company conducted a series of disposals in the open market from 5 August 2024 to 2 January 2025 and disposed a total of 31,302,000 shares of Virtual Mind Holding Company Limited (Stock Code: 1520) ("Virtual Mind") for an aggregate consideration of approximately HK\$6.67 million (excluding stamp duty and related expenses). The average price (excluding stamp duty and related expenses) for the disposals of each Virtual Mind share was approximately HK\$0.2131. The sale shares represented approximately 4.67% of the total Virtual Mind shares in issue on 3 January 2025. Since then up to 31 December 2025, a further 22,147,500 shares of Virtual Mind were disposed.

#### **Issue of convertible bonds under general mandate and the memorandum of understanding (the "MOU") in relation to the establishment of joint ventures with Monochrome Corporation Pty Ltd and its subsidiaries (the "Monochrome Group")**

On 13 June 2025, the Company and two subscribers, namely Monochrome Corporation Pty Ltd (the "Monochrome") and CJEF Capital Partners Pte. Ltd, entered into two subscription agreements respectively (the "CB Subscription"), pursuant to which the Company is desirous of issuing and the two subscribers are desirous of subscribing the convertible bonds issued by the Company (the "CB") in principal amount total of HK\$5,000,000 at coupon rate of 1% per annum with 2 year maturity convertible into not more than in total of 12,500,000 conversion shares at the conversion price of HK\$0.4 per conversion share. The conversion price represents a premium of approximately 11.11% over the closing price of HK\$0.36 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the subscription agreements. The net proceeds from the CB Subscriptions were approximately HK\$4.9 million (after deducting the professional fees and other related costs and expenses incurred in the Subscriptions), and the net conversion price is approximately HK\$0.39 per conversion share. As all the conditions precedent set out in the subscription agreements have been fulfilled, the subscription of CB was completed on 25 June 2025.

On the same date, the Company entered into the MOU with Monochrome, pursuant to which the Group is considering to invest in equity, debt vehicles or other financial instruments in the Monochrome Group, set up joint ventures and/or start-up operation with Monochrome Group to develop business in financial technology sector. And Monochrome Group may subscribe for further equity, convertible bonds and/or other derivatives issued by the Company. The Group and Monochrome mutually intend to collaborate on developing the crypto infrastructure and crypto business. Details of the CB and the MOU had been disclosed in the Company's announcements dated 13 June 2025 and 25 June 2025.

*Note:*

The information disclosed herein for the number of shares of the conversion share and the conversion price has been adjusted for the share consolidation which became effective on 28 July 2025 after the Company's announcements dated 13 June 2025 and 25 June 2025.

The net proceeds from the subscription of CB were used as follows:

Period under review	Purpose of usage	Intended use of net proceeds HK\$'000	Actual use of net proceeds up to 31 December 2025 HK\$'000	Remaining balance of unutilised net proceeds HK\$'000	Expected timeline for utilising the unutilised net proceeds
Since completion of CB Subscription on 25 June 2025	General working capital	2,900	2,900	–	N/A
	Repayment of liabilities	2,000	2,000	–	N/A
		4,900	4,900	–	
		4,900	4,900	–	

#### **Disclosable transaction – disposals of Hao Tian International Construction Investment Group Limited's shares**

The Company conducted a series of disposals in the open market from 16 July 2024 to 15 July 2025 and disposed a total of 41,832,000 Hao Tian International Construction Investment Group Limited (Stock Code: 1341) ("Hao Tian") shares for an aggregate consideration of approximately HK\$15.65 million (excluding stamp duty and related expenses). The average price (excluding stamp duty and related expenses) for the disposals of each Hao Tian share was approximately HK\$0.248. The sale shares represented approximately 0.82% of the total Hao Tian shares in issue on 16 July 2025. Since then up to 31 December 2025, the Group has not held any Hao Tian Shares.

### **Formation of a joint venture in relation to RWA**

On 6 October 2025, VC Financial Technology Limited (“VCFT”), a direct wholly owned subsidiary of the Company, Shenzhen Gaoge Investment Consulting Co., Ltd. (“Shenzhen Gaoge”) and Shenzhen Fenglinhui Enterprise Management Co., Ltd. (“Shenzhen Fenglinhui”) entered into an agreement pursuant to which the Parties agreed to jointly incorporate a Joint Venture Company owned as to 34% by VCFT, 33% by Shenzhen Gaoge and 33% by Shenzhen Fenglinhui (the “Joint Venture Agreement”). Pursuant to the Joint Venture Agreement, a joint venture company is proposed to be incorporated as a private company limited by shares in accordance under the laws of PRC (the “Joint Venture Company”). The Joint Venture Company will be principally engaged in the provision of training, professional consulting services, and high-end conferences around RWA. Details please refer to the announcement of the Company dated 6 October 2025.

### **OUTLOOK**

Hong Kong’s capital markets are poised for sustained recovery in 2026, driven by targeted HKEX reforms enhancing liquidity and flexibility, broader economic stabilization, and key macroeconomic influences. HKEX’s public float rule amendments, effective early 2026, grant issuers greater capital management flexibility – such as market value-linked lower thresholds – while preserving transparency. These build on prior treasury share and buyback frameworks to cut transaction frictions and draw quality listings, paired with T+1 settlement for quicker capital turnover. The 2026-27 Budget advances this via IPO consultations, biotech flexibility, and OTC platforms, bolstering Hong Kong’s competitive edge.

Global rate cuts combined with mainland China's stimulus will support liquidity and risk asset appetite, channeling southbound funds into Hong Kong equities. Tourism rebound and consumption recovery offset geopolitical frictions, while US policy shifts may heighten trade volatility, though Hong Kong's offshore RMB hub role provides a buffer. Mainland stimulus and tourism revival direct southbound flows to stocks, as stablecoin and custodian regimes lure institutional crypto capital. Positive 2025 momentum in tech and healthcare sustains sentiment, with reforms offering regulatory clarity against rivals like Singapore.

In the financial services sector, the Group will continue to maintain its position as a comprehensive service provider. To further strengthen its market position, it plans to adopt strategic initiatives and allocate additional resources to the development of its brokerage and financing business, which is expected to achieve attractive returns for the Group in the near future. The Group recognises the value of leveraging the established reputations and expertise of VC Brokerage Limited, which can help it attract a broader range of clients and offer them a comprehensive suite of brokerage services. In adopting business diversification and risk mitigation strategies, the Group will make every effort to accelerate the growth of its brokerage and financing business.

## **FINANCIAL REVIEW**

For the year ended 31 December 2025, the Group's consolidated revenue was approximately HK\$60.1 million, which decreased by about 13% as compared with the same period in 2024 of approximately HK\$69.1 million. The Group recorded a consolidated loss attributable to owners of the Company amounted to approximately HK\$62.6 million for the year ended 31 December 2025 compared to approximately HK\$128.4 million for the same period in 2024.

The loss in the Group's consolidated result mainly attributable to owners of the Company in 2025 compared to 2024 was mainly attributable to (i) decrease in impairment loss on accounts receivable of approximately HK\$36.3 million; and (ii) decrease in the net realised and unrealised loss on financial assets held-for-trading of approximately HK\$33.1 million.

To facilitate the review, the Group's revenue and segment information shown in Notes 3 and 4 to the consolidated financial statements is reproduced below after some rearrangements:

## Revenue Analysis

	2025		2024		Increase (decrease) %
	<i>HK\$'000</i>	Proportion of total revenue %	<i>HK\$'000</i>	Proportion of total revenue %	
Revenue from continuing operations:					
Brokerage and Financing	<b>48,828</b>	<b>82%</b>	55,374	80%	(12%)
Brokerage commission and other related fees	<b>5,266</b>	<b>9%</b>	4,758	7%	11%
Underwriting, sub-underwriting, placing and sub-placing commission	<b>1,729</b>	<b>3%</b>	689	1%	151%
Interest income from brokerage clients	<b>17,263</b>	<b>29%</b>	20,417	30%	(15%)
Interest income from money lending clients	<b>24,570</b>	<b>41%</b>	29,510	42%	(17%)
Corporate Finance and Other Advisory Services	<b>3,360</b>	<b>5%</b>	3,847	6%	(13%)
Asset Management	<b>3,576</b>	<b>6%</b>	2,338	3%	53%
Insurance Brokerage	<b>3,965</b>	<b>6%</b>	7,223	10%	(45%)
Proprietary Trading	–	–	–	–	–
Property Investment	<b>420</b>	<b>1%</b>	280	1%	50%
<b>Total revenue</b>	<b>60,149</b>	<b>100%</b>	<b>69,062</b>	<b>100%</b>	(13%)

## Segment Analysis

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Segment results:		
Brokerage and Financing	<b>(13,425)</b>	(42,250)
Corporate Finance and Other Advisory Services	<b>(3,002)</b>	(4,321)
Asset Management	<b>2,628</b>	588
Insurance Brokerage	<b>(299)</b>	(281)
Proprietary Trading	<b>(14,641)</b>	(50,387)
Property Investment	<b>7</b>	(4,184)
	<hr/>	<hr/>
Group segment loss	<b>(28,732)</b>	(100,835)
Gain on disposal of a subsidiary	–	8
Unallocated administrative costs	<b>(34,321)</b>	(25,992)
Share of profit (loss) of an associate	<b>50</b>	(89)
	<hr/>	<hr/>
Loss before taxation	<b>(63,003)</b>	(126,908)
Income tax credit (expense)	<b>112</b>	(121)
	<hr/>	<hr/>
Loss for the year from continuing operations	<b>(62,891)</b>	(127,029)
Loss for the year from discontinued operation	–	(2,117)
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Loss for the year	<b>(62,891)</b>	(129,146)
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## **Brokerage and Financing**

During the year ended 31 December 2025, the Company, through VC Brokerage, provides securities brokering and dealing, margin financing, and placing and underwriting services. It also through another indirect wholly owned subsidiary, VC Finance, provides money lending services. For the year ended 31 December 2025, the brokerage and financing businesses recorded total revenue of approximately HK\$48.8 million as compared with approximately HK\$55.4 million for the same period last year, representing a decrease of about 12%, and accounted for about 82% of the Group's total revenue.

### ***Brokerage service***

The Group's brokerage commission and other related fees from dealing in securities for the year ended 31 December 2025 amounted to approximately HK\$5.3 million, which was about 11% higher than that of 2024 of approximately HK\$4.8 million, and accounted for about 9% of the Group's total revenue. The Group's brokerage transactions recorded increase with average daily trading turnover increasing from approximately HK\$6.3 million in 2024 to that of 2025 of approximately HK\$7.1 million, being an increase of about 13%.

### ***Financing service***

The Group's total interest income from financing for the year ended 31 December 2025 decreased by about 16% to approximately HK\$41.8 million from approximately HK\$49.9 million for the same period last year, and accounted for about 70% of the Group's total revenue. The revenue included the interest income derived from both the brokerage business and the money lending business.

### ***Financing service: Brokerage clients***

The Group's interest income from our brokerage clients recorded approximately HK\$17.3 million for the year ended 31 December 2025, representing a decrease of about 15% as compared to approximately HK\$20.4 million for the same period last year. The decrease was mainly attributable to the decrease of average loan portfolio of our brokerage clients by about 3% for the year ended 31 December 2025 as compared with the same period last year. For the year ended 31 December 2025, there was an additional impairment loss of approximately HK\$5.2 million on brokerage client receivables (2024: HK\$19.2 million) in accordance with the Group's credit control policies and procedures and requirements of relevant accounting standard. The average interest rate for brokerage clients is approximately 12%. Almost all brokerage client receivables are pledged with securities held by the clients.

### ***Financing service: Money lending clients***

The Group's interest income generated from the money lending services was approximately HK\$24.6 million for the year ended 31 December 2025, representing a decrease of about 17% as compared to approximately HK\$29.5 million for the same period last year.

During the year, the Group did not grant any new loan. (2024: nil).

As at 31 December 2025, the Group had 24 active loan accounts (comprising 15 individuals and 9 corporations) under the Company's loan portfolio. The Company provides its financing service to individual and corporation clients of different backgrounds. The money lending business was funded by the internal resources of the Group.

The average loan amount of these loan accounts was approximately HK\$15.3 million (2024: HK\$14.1 million). The percentage of amount of loans and interest receivables from the largest and the 5 largest customers to total loans and interest receivables are about 10% and 41% (2024: 10% and 40%) respectively. Certain loans are secured by collaterals including equity shares of certain listed and unlisted companies and legal charges on properties. Interest rates charged to customers range from 8% to 18% per annum as at 31 December 2025.

### ***Additional information on money lending business***

#### **(I) Business model**

The Group's money lending business is managed through our indirect wholly owned subsidiary, VC Finance, with money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group's customers principally include high net worth individuals, private companies or listed companies introduced to the directors of the Company through business/ personal networks or are referred to the Group by its existing or former customers. There is no specific target loan size but each application would be dealt on its own merit. The Group finances this money lending business mainly by internal resources. The following internal control procedures are put in place:

### *Assessment and approval*

Prior to granting of a loan, the Group carries out credit risk assessment on the customer, taking into account, inter alia, background of the customer or the customer's shareholders (as the case maybe), purpose of the loan, source of repayment, value of collateral and guarantee(s), if any, and the financial strength of the customer/shareholders/guarantors.

The approval process for granting loans include the completion of account opening form (for new customer) and know-your-customer assessment. The Finance Department would verify the information obtained (including identity, business background information and collateral information), check against supporting documents (including identity documents, address proof, securities statements, documents by conducting public searches and financial statements (for corporate borrowers)) and initiate credit assessment form for further processing. The board of directors of VC Finance would be responsible for approving the grant of the loans. The legal and compliance department would prepare the loan documentation for signing.

In addition, the financial controller of the Group is responsible for conducting the size test to determine if a proposed loan would trigger any disclosure requirement under the Listing Rules. The financial controller will also review the information of the potential client to ascertain if a proposed loan may constitute a connected transaction under the Listing Rules. If the proposed loan triggers any disclosure requirements under the Listing Rules, the financial controller will arrange the board meeting for the directors of VC Finance and Executive Committee of the Group to resolve the resolution in relation to the approval of the proposed loan and make necessary disclosure as required by the Listing Rules.

### *Principal of determining the interest rate*

The basic interest rate charged to clients generally starts from 18% per annum. Additionally, collateral may be required following negotiations with the clients. However, providing collateral does not automatically result in a lower interest rate, nor does the absence of collateral guarantee a higher rate. In certain cases, a lower interest rate may be accepted due to strong client requests, with the Group assessing the risk associated with lending, as well as considering its cash position, finance costs, and the opportunity cost of the funds involved.

### *Monitoring and recovery*

If a customer does not repay the loan principal or accrued interest in accordance with the loan agreement, the Finance Department would promptly report to the credit committee of VC Finance including all directors of VC Finance. The credit committee members of VC Finance meet once a month to review the status of all customers, discuss necessary actions required and serves as an input for loan classification in calculating impairment loss on loan receivables for financial reporting purpose.

The actions taken for recovering delinquent loans would include examination and evaluation of the relevant loan status, discussion with the customer and internal discussion about formulating possible action plan. Recovery strategy involve a wide range of actions including revision of repayment terms, addition of collaterals/guarantee, execution of settlement agreement, foreclosure of collaterals/enforcement of guarantees and commencement of legal proceedings. The Group strives to strike a successful balance in its business operations and risk management by adhering to its credit policies in order to control the quality of its loan portfolio. The Group has also appointed an independent internal control advisor to conduct independent review on adequacy and effective of internal control systems of the Group's money lending business.

### (II) Major terms of the loans granted

#### *Summary*

	<b>2025</b>	2024
Number of active loan accounts	<b>24</b>	25
Average loan amount	<b>HK\$15.3 million</b>	HK\$14.1 million
Percentage of amount of total loans and interest receivables from the largest customer	<b>10%</b>	10%
Percentage of amount of total loans and interest receivables from the largest 5 customers	<b>41%</b>	40%
Average duration	<b>9.0 months</b>	9.2 months
Interest rate range (per annum)	<b>8% to 18%</b>	8% to 18%

#### *Secured Loans*

	<b>2025</b>	2024
Percentage of loans secured by collaterals including listed and unlisted equity securities and legal charge on properties (“Secured Loans”)	<b>45%</b>	37%
Average duration	<b>11.6 months</b>	11.8 months
Interest rate range (per annum)	<b>12% to 18%</b>	12% to 18%

### *Unsecured Loans*

	<b>2025</b>	2024
Percentage of loans with no collateral (“Unsecured Loans”)	<b>55%</b>	63%
Average duration	<b>8.0 months</b>	8.0 months
Interest rate range (per annum)	<b>8% to 18%</b>	8% to 18%

When determining the terms of unsecured loans, the Group paid further attention on business background, financial position, repayment ability and reputation (including but not limited to their disclosed shareholdings and directorship in various listed companies) of respective borrowers and the Group’s potential business opportunities with them. The Group will take appropriate legal actions against the unsecured borrowers with an aim of recovery from their other assets in the event of prolonged defaults.

The money lending licence has been obtained by VC Finance since 2003. The business strategy of VC Finance focuses on providing larger loan amounts to high-net-worth clients, allowing the Company to charge higher interest rates. These clients are usually being financially well-established, typically seek loans to enhance their investment opportunities. They possess strong investment strategies and a high level of financial acumen, which contributes to the protection of their wealth and the management of substantial assets, thereby presenting a relatively lower risk for the Company.

The abovementioned clients of VC Finance primarily fit this profile. They are reputable or famous in the investment field and/or possess the expertise to manage and grow their financial portfolios effectively. By targeting this specific client segment, VC Finance is able to leverage the financial stability and strategic foresight of its clients to mitigate risks and secure returns for the Group. This strategy not only supports the growth of the money lending business but also aligns with the Company’s broader goals of achieving sustainability in long term.

In light of the significant changes in economic conditions following the pandemic and the current market sentiment in Hong Kong, marked by a stagnant stock market and the downturn in the property market, the directors of VC Finance have conducted a thorough review of the money lending business strategy. It is also noted that many previously successful investors (including individuals, families and/or companies), who are the target clients of the Group, are now encountering financial difficulties such as bankruptcy and liquidation, the Company has decided to adopt a more cautious approach in the money lending business. As a result, the Company will be highly selective in approving new loans until there is a clear improvement in the economic environment. Concurrently, the Company will focus on enhancing the management of existing loan receivables and strengthening its cash position. This prudent strategy will ensure that the Company remains well-positioned to capitalise on future business opportunities as they arise.

(III) Impairment recognition as at year end

The Group applies the general approach, which is often referred to as “three-stage model”, under HKFRS 9, in which Expected Credit Loss (“ECL”) of loan receivables are determined based on (a) the changes in credit quality of the loan receivables since initial recognition, and (b) the estimated expectation of an economic loss of the loan receivables under consideration.

Under the general approach, there are two measurement bases for allowance of ECL: (a) 12-month ECL, which are the ECL that result from default events that are possible within 12 months after the reporting date and are calculated as the allowance for ECL on loan receivables weighted by the probability of default accumulated over the 12 months after the reporting date; (b) lifetime ECL, which are the ECL that result from all possible default events over the expected life of loan receivables and are calculated as the allowance for ECL on loan receivables weighted by the probability of default accumulated over the entire life of the loan receivables.

The allowance for ECL on loan receivables are derived from gross credit exposure, recovery rate and probability of default. The Group uses the following ECL formula to calculate the allowance for ECL on its loan receivables:

Allowance for ECL = gross credit exposure x adjusted probability of default x (1 – recovery rate)

For ECL assessment, the Group’s loan receivables are classified as follows:

- (i) Stage 1 (Performing) includes loan receivables that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these loan receivables, 12-month ECL are recognised.
- (ii) Stage 2 (Doubtful) includes loan receivables that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these loan receivables, lifetime ECL are recognised.
- (iii) Stage 3 (Default) includes loan receivables that have objective evidence of impairment and are considered as credit-impaired financial assets at the reporting date. For these loan receivables, lifetime ECL are recognised.

Details of impairment recognition is as below:

	<b>As at 31 December 2025 <i>HK\$'million</i></b>	<b>As at 31 December 2024 <i>HK\$'million</i></b>
Stage 1	–	–
Stage 2	<b>78.4</b>	76.3
Stage 3	<b>177.8</b>	149.0
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<b>Total</b>	<b>256.2</b>	<b>225.3</b>
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For the year ended 31 December 2025, the above estimation was under the management's credit assessment on the borrowers' commitment and performance to repay the loans. The rate of loans receivable ECL range from 24% to 100% (2024: 22% to 100%).

(IV) Net impairment loss recognised during the year ended 31 December 2025

	<b>No. of loans</b>	<b>Amount <i>HK\$'million</i></b>
Existing Stage 2 loans		
– With ECL impairment	9	13.2
– With ECL reversal	2	(4.1)
– No movement	1	–
Existing Stage 3 loans		
– With ECL impairment	1	24.4
– With ECL reversal	1	(2.6)
– No movement	10	–
	<hr/>	<hr/>
<b>Total</b>	<b>24</b>	<b>30.9</b>
	<hr/> <hr/>	<hr/> <hr/>

Analysis of significant impairment on certain customers for the year ended 31 December 2025 are presented below:

	<b>Impairment amount</b> <i>HK\$'million</i>	<b>Detailed reasons for additional impairment</b>
Existing Stage 2 loans		
Customer A	2.7	Minimal repayment despite with collaterals
Customer B	2.3	Minimal repayment despite with collaterals
Customer C	2.0	No repayment despite with collaterals
Customer D	1.8	Minimal repayment despite with collaterals
Customer E	1.7	Ongoing negotiations on settlement
4 other customers	<u>2.7</u>	
	<u><u>13.2</u></u>	
Existing Stage 3 loans		
Customer F	<u>24.4</u>	Adjudged winding up during the year
	<u><u>24.4</u></u>	

In summary, aggregate ECL impairment was approximately HK\$37.6 million (2024: HK\$55.2 million) while aggregate ECL reversal was approximately HK\$6.7 million (2024: HK\$1.6 million), resulting in net ECL impairment of approximately HK\$30.9 million (2024: HK\$53.6 million) during the year.

Loan by categories and their collaterals details were as below:

<b>Category of borrowers</b>	<b>Loan products</b>	<b>Number of loans</b>	<b>Receivables gross carrying amount</b> <i>HK\$'million</i>	<b>Interest rate range per annum</b>	<b>Collateral details</b>
Corporate	Term loan	3	70.1	15.6%-18%	Shares of certain listed companies
	Term loan	6	84.9	8%-18%	Nil
		<u>9</u>	<u>155.0</u>		
Individual	Term loan	1	22.5	18%	Landed properties in Hong Kong
	Term loan	4	71.9	12%-18%	Shares of certain listed companies
	Term loan	10	117.5	15%-18%	Nil
		<u>15</u>	<u>211.9</u>		
		<u>24</u>	<u>366.9</u>		

Loan by borrowers' background or industry profile details were as below:

	<b>Number of loans</b>	<b>Receivables gross carrying amount</b> <i>HK\$'million</i>
Private investors	16	209.5
Substantial shareholder or director of listed companies	1	28.9
Financial services provider	3	86.0
Energy	2	21.8
Manufacturing	1	16.3
Subsidiary of delisted company	1	4.4
	<u>24</u>	<u>366.9</u>

The Group rely on its own credit assessment more particularly described in this section above in conducting the money lending business and hence does not obtain external credit rating on the borrowers.

Maturity profile of the loans were as below:

	<b>Receivables gross carrying amount</b> <i>HK\$'million</i>	<b>No. of rollover times</b>
Matured	<u><u>366.9</u></u>	0-7

The following factors have been principally considered when evaluating a loan rollover:

***Repayment Situation***

If the borrower has demonstrated the ability and commitment to meet repayment obligations and/or has made partial repayments of the loan, indicating ongoing cash flow and partial fulfillment of loan terms, the rollover will be considered.

***Collateral or Security***

The rollover of the loan will also be considered for any collateral, securities with value, or guarantees are provided.

***Terms of Loan Rollover***

The Group carefully reviews the terms of the loan rollover when approving it. The rollover period is generally assessed to provide flexibility, enabling the Company to pursue repayment at any time.

***Market Conditions***

It is important to emphasise that most of the loan rollovers occurred between 2020 and 2023, during the COVID-19 pandemic. The Group has also taken the then prevailing market conditions, including economic trends, interest rate movements, and market prospects as well as the specific government policy when considering a loan rollover.

For those matured loans, the Company held negotiations with the borrowers in serious manner with an aim to agree settlement plans or obtain further collaterals to protect the Company’s position. For those borrowers from whom satisfactory responses are unable to obtain, the Company shall take formal legal actions to recover the loans.

### ***Compliance with Chapter 14 and/or 14A of the Listing Rules and Money Lenders Ordinance***

The Group is required to, and has at all times, strictly comply with all relevant laws and regulations. The Company has complied with those requirements as set out in Chapter 14 and/or 14A of the Listing Rules when it granted or extended the loans to each of the respective borrower whose loan was still outstanding as at 31 December 2025.

In addition to the Listing Rules, the Money Lenders Ordinance constituted a major governance on the Group's money lending business in Hong Kong. During the year ended 31 December 2025, VC Finance did not receive any objection from and was not investigated by the Registrar of Money Lenders (currently performed by the Registrar of Companies) nor the Commissioner of Police regarding the renewal of the money lenders license.

The Company has complied with requirements set out in Chapter 14 of the Listing Rules when it granted or renewed loans to each of the borrowers. Renewal agreements were entered into with the borrowers in all renewal cases. To the best of the Directors' knowledge, information and belief based on internal records, the Company does not have any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrowers whose loans were still outstanding as at 31 December 2025.

The credit risk assessment of the unsecured loans was performed by the Company using an internal process with holistic consideration on background, financial resources, source of repayment and repayment history of the relevant borrowers and purpose of the loans. The Company's directors consider the terms of each of the unsecured loans are fair and reasonable and in the interests of the Company and its shareholders.

The Group has put efforts on implementing our credit control policies and procedures to review our clients' creditworthiness and credit limits from time to time so as to minimise our credit risk exposure. The Group's credit control policies and procedures are principally based on the doubtful unsecured exposure having assessed the fair value of the clients' collaterals held, the evaluation of collectability and aging analysis of the client accounts. The Group will take all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans.

### ***Placing and underwriting services***

Meanwhile, the Group offers placing and underwriting services to our clients, and acts as placing agent and underwriter for Hong Kong listed companies' fund-raising activities. For the year ended 31 December 2025, the Group's placing and underwriting commission was approximately HK\$1.7 million as compared with approximately HK\$0.7 million for the same period last year. The Group will continue to put efforts to capture the opportunities towards the local initial public offerings and other fund-raising exercises.

Overall, the brokerage and financing businesses recorded a loss after tax of approximately HK\$13.4 million for the year ended 31 December 2025 as compared with a loss of approximately HK\$42.3 million for the same period last year. The improvement of the performance in 2025 was mainly due to the decreased of recognition loss in accounts receivable based on the ECL model.

### **Corporate Finance and Other Advisory Services**

The Company through its indirect wholly owned subsidiary, VC Capital Limited ("VC Capital"), provides corporate finance and other advisory services to its clients. The Company through its another indirect wholly owned subsidiary, VCCS, provides corporate services, including company secretarial services, registered office and business services, etc., to listed and private companies.

For the year ended 31 December 2025, the Company's corporate finance and other advisory services recorded revenue and loss after tax of approximately HK\$3.4 million and HK\$3.0 million as compared with revenue of approximately HK\$3.8 million and loss after tax of approximately HK\$4.3 million for the same period last year, respectively.

### **Asset Management**

During the year ended 31 December 2025, the Group's asset management segment recorded revenue of approximately HK\$3.6 million (2024: HK\$2.3 million) and profit after tax of approximately HK\$2.6 million (2024: HK\$0.6 million). Its revenue accounted for about 6% of the Group's one, following the partnership fund investment in a new energy project in Europe.

### **Insurance Brokerage**

The Group, through Experts Management Limited ("Experts Management"), an indirect wholly owned subsidiary, was engaged in the provision for insurance brokerage service. Experts Management owns insurance broker company licence and is entitled to conduct long term insurance business. During the year, Experts Management recorded revenue of approximately HK\$4.0 million (2024: HK\$7.2 million) with a loss after tax of approximately HK\$299,000 (2024: HK\$281,000) due to the referral by independent third parties.

## Proprietary Trading

As at 31 December 2025, the Group held 14 equity securities listed on Stock Exchange of approximately HK\$86.1 million, (2024: HK\$116.4 million) as financial assets held-for-trading, which was stated at market value. The fair value of these listed equity securities represents about 17% of the Group's total assets as at 31 December 2025 (2024: 26%). A few securities with relatively heavy weights within the portfolio were disposed and not performing well during the year ended 31 December 2025, resulting in an overall loss during the year.

Included in the financial assets held-for-trading as at 31 December 2025 was the Group's investment in 35,102,729 shares or approximately 4% of Virtual Mind with fair value of approximately HK\$37.9 million, which amounts to approximately 8% of the Group's total assets. Virtual Mind and its subsidiaries are principally engaged in the manufacturing and sale of apparels. The investment cost was approximately HK\$33.5 million. During the year ended 31 December 2025, its share price has increased by approximately 59%. During the year ended 31 December 2025, their group recorded loss attributable to the owners of the Company of approximately HK\$110 million, and no dividend was received from it. The loss was due to the increase in impairment of goodwill and administrative expenses. Virtual Mind is a conglomerate with businesses diversified into different areas and is an excellent investment target. The Group was optimistic about its future prospect and intends to hold the investment with an aim for long term capital growth.

The Group invests mainly through purchases in the secondary market. The management follows strictly the internal securities investment policy and seeks the approval from the Board, when necessary, so as to enhance the financial returns to the shareholders and limit the risk exposure associated therewith. During the year ended 31 December 2025, there was net sale in securities investment of approximately HK\$40.9 million (2024: net sale of HK\$71.1 million).

The Company had set up the securities investment policy and the objective was to enhance return on cash balance not applied to daily business operations and limit the risk exposure associated therewith. The Delegated Officer-In-Charge (the "DOIC") shall be any Executive Director designated by the Board of Directors of the Company (the "Board") to capture the best opportunity for acquisition/disposal of the investments. Subject to the requirements of the relevant Listing Rules which include but not limited to Chapter 14, the aggregate investment amount was up to HK\$500 million and investments in any single stock together with warrants and/or securities convertible/exchangeable into the same stock shall not exceed HK\$70 million. Holdings of any single stock at any time shall not exceed 10% of the total number of shares outstanding and aggregate debt instruments of any single stock shall not exceed HK\$20 million. Any transaction exceeding such limits requires additional approval from the Board.

In addition, the compliance department of the Company circulated an internal trading restricted list for the Company and its subsidiaries, which covered listed issuer(s) (“Issuer”) that VC Capital (a Type 6 licensed corporation), is in the course of providing advice to. The Issuer will be updated to the internal trading restricted list upon the execution of the relevant mandates, and removed upon the termination of the relevant mandate.

The trading accounts are not just opened under VC Brokerage. Others are opened at independent brokers. The account opening and credit limits are approved and circulated through the Executive Committee of the Board for proprietary trading purposes. Margin loan payables are monitored and reviewed regularly to minimize exposure, and collateral or margin arrangements are implemented where appropriate to mitigate risks of default.

DOIC shall make investment decision from time to time and optimize the return based on the objectives of: participation in business with positive potential, diversification of portfolio and adding value to the Company and the shareholders. DOIC will assess the counterparty risk through reviewing to the financials of the investment targets and Finance Department of the Company will update the DOIC the latest development of the investment targets on a continuous basis.

The Company maintains prudent cash flow forecasting and ensures access to diversified funding sources to meet short-term and unexpected cash requirements in liquidity management. The Finance Department daily reviews liquidity positions to ensure sufficient liquidity is available to support ongoing operations and fulfil financial obligations without undue cost or loss.

The Company aims to optimize returns on non-operational cash by investing surplus non-operational funds in diversified stocks from minimum to low-risk, to preserve capital and maintain liquidity, minimizing credit, market, and operational risks.

Procedures for the investment decisions are as follows:

- Initiating and approving – the DOIC will submit the proposed investment stock to the compliance department of the Company, to check whether the stock is within the internal restricted list. If it is not in the list, the compliance officer will pass the application form to the other member of Executive Committee of the Board for pre-approval to trade within a specific period. The Executive Committee currently comprise of certain Company’s Executive Directors, namely, Mr. Zhang Li (Chairman), Mr. Fu Yiu Man, Peter, the DOIC, and Mr. Lin Hoi Kwong and the Company’s Chief Financial Officer and Company Secretary (non-voting capacity), namely, Ms. Lai Choi Ling.

- Monitoring and reviewing – daily/monthly reports prepared by the Finance Department containing (i) details of all investment holdings and any marked-to-market gains/losses; and (ii) a summary of investment activities conducted during the previous month and any gains/losses realised shall be circulated to all members of the Board. All members of the Board shall be notified of any investment made/disposed of on the next business day. The Finance Department assists in the daily monitoring of the sales and/or purchase transactions. It evaluates whether any transactions on individual or aggregate situations constitute notifiable transaction for the Company under Chapter 14 of the Listing Rules, thereby triggering relevant announcement and reporting obligations. In addition, the Finance Department daily monitors news related to each investee company. It promptly alerts the Board to any developments, such as delisting, suspension, or notifiable transactions, as announced by the investee companies for the Board to reassess the investment portfolio.

No revenue from the proprietary trading business as at 31 December 2025 and for the same period was recorded in 2024. The Group recognised net loss of approximately HK\$10.9 million (including a realised loss of approximately HK\$34.1 million and unrealised gain of approximately HK\$23.2 million) on the trading investments for the year ended 31 December 2025 as compared to approximately HK\$44.0 million (including realised loss of approximately HK\$66.6 million and unrealised gain of approximately HK\$22.6 million) for the same period in 2024.

Below is an analysis of the financial assets held-for-trading held by the Group as at 31 December 2025:

<b>Industries</b>	<b>Market value as at 31 December 2025 <i>HK\$' million</i></b>	<b>Percentage to the Group's total assets</b>	<b>Unrealised gain (loss) for the year ended 31 December 2025 <i>HK\$' million</i></b>
Energy	2.5	0.5%	1.0
Information technology	3.3	0.7%	1.6
Consumer goods and services	65.8	13.2%	25.1
Financials	6.8	1.4%	(4.2)
Industrials	7.7	1.5%	(0.3)
	<u>86.1</u>	<u>17.3%</u>	<u>23.2</u>

While the performance of different industries did vary, the Group cautiously monitors the investment portfolio and shall be determined to make any strategic moves. The loss incurred during year 2025 was in line with the plummet of global capital market. Overall, the Group's proprietary trading business recorded loss after tax of approximately HK\$14.6 million for the year ended 31 December 2025 (2024: HK\$50.4 million).

### **Property Investment**

The Group through Polyton China Limited, recorded the revenue of approximately HK\$420,000 (2024: HK\$280,000) and a profit after tax of approximately HK\$7,000 as at the year ended 31 December 2025 (2024: loss of HK\$4.2 million).

### **Unallocated administrative costs**

For the year ended 31 December 2025, the unallocated administrative costs amounted to approximately HK\$34.3 million as compared with approximately HK\$26.0 million for the same period last year, which mainly included the unallocated corporate operating expenses. The increase in the unallocated administrative costs of approximately HK\$8.3 million in 2025 was mainly attributable to the increase of entertainment and travels expenses and finance costs.

### **Income tax credit (expense)**

For the year ended 31 December 2025, the Group recognised income tax credit of approximately HK\$112,000 (2024: expense of HK\$121,000) which included deferred tax credit of approximately HK\$112,000 (2024: deferred tax expense of approximately HK\$121,000) in relation to the convertible bonds issued by the Company.

## **Finance costs**

For the year ended 31 December 2025, the finance costs of the Group amounted to approximately HK\$4.5 million (2024: HK\$4.3 million), out of which approximately HK\$1.0 million (2024: HK\$0.2 million) was incurred pursuant to the effective interest expense of convertible bonds issued by the Company during the year ended 31 December 2025, together with some finance costs incurred in relation to the Group's brokerage and financing businesses and interest expenses on lease liabilities, investment property and margin financing.

## **Headcount and employee information**

As at 31 December 2025, the Group employed a total of 67 employees (31 December 2024: 56), which excluded 2 self-employed account executives for brokerage services (31 December 2024: 12), and 67 and nil (31 December 2024: 56 and nil) were located in Hong Kong and the PRC respectively. Salaries and staff benefit costs (including the Directors' emoluments) and staff commission amounted to approximately HK\$35.5 million and HK\$2.2 million respectively for the year ended 31 December 2025 as compared with approximately HK\$33.6 million and HK\$1.7 million respectively for the same period last year. The increase in the salaries and staff benefits costs of approximately HK\$1.9 million in 2025 was mainly attributable to employment of experienced staff business development.

The Group's employees are selected, remunerated and promoted based on their performance and qualifications. In addition to basic salaries and participation in Mandatory Provident Fund Scheme, the Group also provides medical coverage, sales commission, discretionary and performance related bonus, discretionary share options and share awards to its employees. Meanwhile, employees are provided or funded to attend training and development programs which are relevant to their works.

## **Liquidity and financial resources/capital structure**

For the year ended 31 December 2025, the Group financed its business operations and investments with internal resources, cash revenue generated from operating activities, convertible bonds and margin financing.

The Group adopts a prudent treasury policy. As at 31 December 2025, bank balances and cash were denominated in Hong Kong dollars and Renminbi as to approximately HK\$100.4 million and HK\$2.2 million (2024: HK\$16.9 million and HK\$1.1 million) respectively. The Group intends to maintain minimum exposure to foreign exchange risks and those Renminbi is mainly for the operation need. All the bank balances and cash were put in saving deposits and current accounts as at 31 December 2025.

As at 31 December 2025, the Group obtained margin financing facilities from certain brokerage firms in the amount of approximately HK\$14.0 million (2024: HK\$15.9 million) and margin loans obtained amounted to approximately HK\$13.1 million (2024: HK\$20.3 million).

As at 31 December 2025 and 2024, the Group did not hold any banking facilities.

As at 31 December 2025, the Group's bank balances and cash, net current assets and total equity (other than clients' segregated accounts) amounted to approximately HK\$103.0 million (31 December 2024: HK\$18.4 million), HK\$318.8 million (31 December 2024: HK\$349.6 million) and HK\$358.4 million (31 December 2024: HK\$384.7 million) respectively, representing increase of about 460%, decrease of about 9% and 7% respectively as compared with that of 31 December 2024. Current ratio, expressed as current assets over current liabilities, was at about 3 times as at 31 December 2025 (31 December 2024: 8 times).

### **Share consolidation**

On 28 July 2025, the Company put forward the share consolidation. Upon the passing of the ordinary resolution by the Shareholders on 24 July 2025, every ten existing shares of the Company were consolidated into one consolidated share. For further details, please refer to the announcements of the Company dated 23 June 2025 and 24 July 2025, and the circular of the Company dated 8 July 2025.

### **Capital structure and fund raising activities**

The capital of the Company comprises only ordinary shares.

### ***Convertible Bonds issued by the Company***

The Company issued 2-year convertible bonds on 26 September 2024 (the "First Issue Date 1") in the principal amount of HK\$14.4 million (the "2024 CB") to not less than six places. The 2024 CB entitled the holders to convert them into ordinary shares of the Company at any time commencing on the business day immediately after the First Issue Date 1 of 2024 CB and up to the fifth business day before the maturity date, both days inclusive, at a conversion price of HK\$0.10 per 2024 CB. The Convertible Bonds carry interests at 2% per annum and are payable in arrears on the first anniversary of the First Issue Date 1 and on the maturity date. Further details of the 2024 CB are set out in the Company's announcements dated 9 September 2024 and 26 September 2024.

The Company also issued 2-year convertible bonds on 25 June 2025 (the “First Issue Date 2”) in the principal amount of HK\$5.0 million (the “2025 CB”) to two subscribers. The 2025 CB entitled the holders to convert them into ordinary shares of the Company at any time commencing on the business day immediately after six months from the First Issue Date 2 of 2025 CB and up to the fifth business day before the maturity date, both days inclusive, at a conversion price of HK\$0.04 per 2025 CB. The Convertible Bonds carry interests at 1% per annum and are payable in arrears on the first anniversary of the First Issue Date 2 and on the maturity date. Further details of the 2025 CB are set out in the Company’s announcements dated 13 June 2025 and 25 June 2025.

As a result of the share consolidation (defined in the section headed “Share Consolidation” above) became effective on 28 July 2025, the conversion price of the outstanding 2024 CB and 2025 CB, being initially at HK\$0.10 and HK\$0.04 respectively per share in issue (subject to adjustment), was adjusted in accordance with the terms and conditions of the 2024 CB and 2025 CB to HK\$1.00 and HK\$0.40 per Consolidated Share respectively. Accordingly, the number of consolidated shares upon full conversion at the adjusted conversion price of HK\$1.00 and HK\$0.40 per consolidated share respectively of the 2024 CB and 2025 CB immediately after the Share Consolidation became effective, was 14,400,000 and 12,500,000 Consolidated Shares, respectively.

### ***Rights Issue and the Placing***

On 6 August 2025, the Company proposed to implement the rights issue on the basis of two rights shares (the “Right Shares”) for every one existing share held on 23 September 2025 (the “Rights Issue”), being the record date, at the subscription price of HK\$0.45 per rights share. The Rights Issue proceeded on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed (the “Unsubscribed Rights Shares”) will be placed to independent placees on a best effort basis through the placing.

On 6 August 2025, the Company entered into the placing agreement (the “Placing Agreement”) with VC Brokerage (the “Placing Agent”) which shall procure on a best effort basis not less than six placees to subscribe for the Unsubscribed Rights Shares (the “Placing Shares”) at the placing price of HK\$0.45 per Placing Share during the placing period (the “Placing”). The Placing Shares will be allotted and issued pursuant to the specific mandate to be granted by the shareholders of the Company at the EGM.

The subscription price and the placing price represent (i) a discount of approximately 4.26% to the closing price of HK\$0.47 per share as quoted on the Stock Exchange on 6 August 2025, being the last trading day for the shares immediately before the release of the announcement of the Company on the same date in relation to, among other things, the Rights Issue; (ii) a discount of approximately 5.86% to the average closing price of HK\$0.478 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the last trading day; (iii) a discount of approximately 1.21% to the average closing price of HK\$0.4555 per share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the last trading day; (iv) a discount of approximately 1.53% to the theoretical ex-rights price of approximately HK\$0.457 per share based on the closing price of HK\$0.47 per share as quoted on the Stock Exchange on the last trading day; (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 3.11%, represented by the theoretical diluted price of approximately HK\$0.4573 per share to the benchmarked price of HK\$0.472 per share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on the last trading day; and (ii) the average of the closing prices of HK\$0.472 per share as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the announcement dated 6 August 2025); and (vi) a discount of approximately 71.06% to the audited consolidated net asset value attributable to shareholders per share (the “NAV per Share”) of approximately HK\$1.555 (based on the latest published audited consolidated net asset value attributable to shareholders of approximately HK\$384,727,000 and 247,352,304 shares in issue as at the date of the announcement dated 6 August 2025). The net price per rights share was approximately HK\$0.436. The Rights Issue was completed on 13 October 2025. As such, 48,784,915 Rights shares, representing approximately 9.86% of the total number of 494,704,608 Rights Shares available for subscription under the Rights Issue, were issued and allotted under the Rights Issue with net proceeds of approximately HK\$22.0 million.

Due to the result of the under-subscription of the Rights Issue and in accordance with the terms of the Placing Agreement, 445,919,693 Placing Shares procured at the placing price of HK\$0.45 per Placing Share during the placing period. All conditions precedent to the Placing were fulfilled, a total of 33,160,000 Placing Shares, representing approximately 6.70% of the total number of 494,704,608 Rights Shares available for subscription under the Rights Issue, were successfully placed. The gross proceeds raised under the Placing on a standalone basis amount to approximately HK\$14.9 million.

Based on the results of acceptance of the Rights Issue and the results of the Placing, the total number of Rights Shares and Placing Shares taken by the shareholders and the placees amounted to a total of 81,944,915 Shares, representing approximately 16.56% of the total number of 494,704,608 Rights Shares available for subscription under the Rights Issue. As a result, the Rights Issue was under-subscribed by 412,759,693 Rights Shares, representing approximately 83.44% of the total number of 494,704,608 Rights Shares available for subscription under the Rights Issue.

The Company intends to apply the net proceeds of approximately HK\$34.7 million from the Rights Issue and Placing (after deducting all necessary costs and expenses) towards overhead expenses of the Group for the coming 10 months. For details of the reasons for the Rights Issue and the Placing, please refer to the announcements of the Company dated 6 August 2025, 11 September 2025, 17 October 2025 and 11 November 2025, the circular dated 26 August 2025, and the prospectus of the Company dated 24 September 2025.

As at 31 December 2025, the utilisation of proceeds from the Rights Issue was as follows:

<b>Period under review</b>	<b>Purpose of usage</b>	<b>Intende use of net proceeds <i>HK'\$000</i></b>	<b>Actual use of net proceeds up to 31 December 2025 <i>HK'\$000</i></b>	<b>Remaining balance of unutilised net proceeds as at 31 December 2025 <i>HK'\$000</i></b>	<b>Expected timeline for utilising the unutilised net proceeds</b>
Since completion of the Rights Issue and the Placing on 13 October 2025 and 7 November 2025, respectively	Overhead expenses of the Group	34,700	8,700	26,000	Expected to be fully utilised on or before 31 December 2026

As at 31 December 2025, the total numbers of issued ordinary shares of the Company were 329,297,219 (31 December 2024: 2,473,523,040).

### **Charges on group assets**

As at 31 December 2025, trading securities with fair value of approximately HK\$57.3 million (31 December 2024: HK\$77.1 million) were pledged with certain brokerage firms to obtain margin financing.

As at 31 December 2025, the investment property with fair value of approximately HK\$15.1 million were pledged for a loan of HK\$9 million from an independent money lender.

### **Foreign exchange exposure**

It is the Group's policy for all operating entities to use corresponding local currency as much as possible so as to minimise exchange related risks. For the year ended 31 December 2025, majority of the Group's principal businesses were conducted and recorded in Hong Kong dollars. Impact from foreign exchange exposure mainly Renminbi was thus immaterial and no hedging against foreign currency exposure had been necessary. In view of the operational needs, the Group will continue to monitor the foreign currency exposure from time to time and take necessary action to minimise the exchange related risks.

### **Contingent liabilities**

As at 31 December 2025 and 31 December 2024, the Group did not have any significant contingent liabilities.

Save as the legal actions taken by the Group as mentioned in the section "Brokerage and Financing" above, so far as known to the Directors, there was no other litigation or claim of material importance in which the Group is engaged or pending or which was threatened against the Group.

### **Gearing ratio**

As at 31 December 2025, the Group's gearing ratio, expressed as total borrowings (being the other borrowings, margin loans, lease liabilities and liability portion of convertible bonds) over shareholders' equity, was approximately 12% (31 December 2024: 13%).

**Significant investments held, their performance and future prospects**

Save as the holding of Virtual Mind Shares as disclosed above, the Group's did not have any significant investments held during the year ended 31 December 2025.

**Material acquisitions and disposal of subsidiaries, associates and joint ventures**

Save as transactions disclosed above in this Management Discussion and Analysis section, the Group's did not have any material acquisition or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

**Future plans for material investments or capital assets and their expected sources of funding in the coming year**

As at 31 December 2025 and as at the date hereof, the Group had no other known plans with regard to material investments or capital assets and their expected sources of funding in the coming year.

Meanwhile, as at 31 December 2025, the Group did not have any significant commitments contracted but not provided for in respect of purchase of property and equipment.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Continuing operations</b>			
Revenue	3	<b>60,149</b>	69,062
Other income	3	<b>300</b>	1,301
Other gains or losses, net	5	<b>(11,509)</b>	(47,569)
Impairment losses on accounts receivable, net		<b>(36,453)</b>	(72,775)
Impairment losses on other receivables, net		–	(2,721)
Staff costs		<b>(37,680)</b>	(35,274)
Commission expenses		<b>(4,151)</b>	(7,770)
Depreciation of property and equipment		<b>(498)</b>	(660)
Depreciation of right-of-use assets		<b>(4,325)</b>	(6,956)
Amortisation of other intangible assets		<b>(287)</b>	(287)
Finance costs		<b>(4,532)</b>	(4,279)
Other operating expenses		<b>(24,067)</b>	(18,891)
Share of profit (loss) of an associate		<b>50</b>	(89)
		<hr/>	<hr/>
Loss before tax from continuing operations	6	<b>(63,003)</b>	(126,908)
Income tax credit (expense)	8	<b>112</b>	(121)
		<hr/>	<hr/>
Loss for the year from continuing operations		<b>(62,891)</b>	(127,029)
<b>Discontinued operation</b>			
Loss for year from discontinued operation	9	–	(2,117)
		<hr/>	<hr/>
Loss for the year		<b>(62,891)</b>	(129,146)
Other comprehensive expenses for the year			
Items that will not be classified subsequently to profit or loss:			
Fair value change of financial assets at fair value through other comprehensive income		<b>(2,005)</b>	(2,127)
Exchange differences arising on translation of foreign operations		–	17
		<hr/>	<hr/>
Total comprehensive expenses for the year		<b>(64,896)</b>	(131,256)
		<hr/> <hr/>	<hr/> <hr/>

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Loss for the year attributable to:			
Owners of the Company			
– Continuing operations		(62,603)	(127,018)
– Discontinued operation		–	(1,407)
		<u>(62,603)</u>	<u>(128,425)</u>
Non-controlling interests			
– Continuing operations		(288)	(11)
– Discontinued operation		–	(710)
		<u>(288)</u>	<u>(721)</u>
		<u>(62,891)</u>	<u>(129,146)</u>
Total comprehensive expenses for the year attributable to:			
Owners of the Company			
– Continuing operations		(64,608)	(129,145)
– Discontinued operation		–	(1,405)
		<u>(64,608)</u>	<u>(130,550)</u>
Non-controlling interests			
– Continuing operations		(288)	(11)
– Discontinued operation		–	(695)
		<u>(288)</u>	<u>(706)</u>
		<u>(64,896)</u>	<u>(131,256)</u>
Loss per share (HK cents)	10		(Restated)
From continuing and discontinued operations			
– Basic and diluted		<u>(23.85)</u>	<u>(51.73)</u>
From continuing operations			
– Basic and diluted		<u>(23.85)</u>	<u>(51.17)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
<b>Non-current assets</b>			
Goodwill		7,630	7,630
Trading rights		–	–
Other intangible assets		3,713	4,000
Interest in an associate		799	749
Property and equipment		849	882
Investment property		15,080	14,230
Statutory deposits		1,518	1,592
Rental and utility deposits		–	1,537
Right-of-use assets		3,201	7,526
Financial assets at fair value through other comprehensive income		12,307	14,312
		<u>45,097</u>	<u>52,458</u>
<b>Current assets</b>			
Accounts receivable	11	254,047	261,982
Prepayments, deposits and other receivables		7,724	2,334
Financial assets at fair value through profit or loss		86,126	116,436
Derivative financial assets		1,890	–
Bank balances and cash		102,974	18,391
		<u>452,761</u>	<u>399,143</u>
<b>Current liabilities</b>			
Accounts payable	12	84,896	2,003
Accrued liabilities and other payables		10,012	13,592
Other borrowing		9,000	9,000
Margin loan payables		13,069	20,318
Convertible bonds		13,998	–
Lease liabilities		2,950	4,586
		<u>133,925</u>	<u>49,499</u>
<b>Net current assets</b>		<u>318,836</u>	<u>349,644</u>
<b>Total assets less current liabilities</b>		<u>363,933</u>	<u>402,102</u>

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>680</b>	690
Convertible bonds	<b>4,536</b>	13,476
Lease liabilities	<b>324</b>	3,244
	<u><b>5,540</b></u>	<u>17,410</u>
<b>Net assets</b>	<u><b>358,393</b></u>	<u>384,692</u>
<b>Capital and reserves</b>		
Share capital	<b>1,846,355</b>	1,810,848
Reserves	<b>(1,488,321)</b>	(1,426,121)
<b>Equity attributable to owners of the Company</b>	<b>358,034</b>	384,727
<b>Non-controlling interests</b>	<u><b>359</b></u>	<u>(35)</u>
<b>Total equity</b>	<u><b>358,393</b></u>	<u>384,692</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*FOR THE YEAR ENDED 31 DECEMBER 2025*

### **1. GENERAL INFORMATION**

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company is 6/F, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong.

The Company and its subsidiaries (the “Group”) are principally engaged in the provision of financial services, proprietary trading, asset management, insurance brokerage service and property investment.

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

### **2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS**

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of the other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

### **HKFRS 18 – “Presentation and Disclosure in Financial Statements”**

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 “Presentation of Financial Statements”. HKFRS 18 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. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

### 3. REVENUE AND OTHER INCOME

Revenue principally arises from the (i) financial services which consists of the provision of securities, brokering and dealing, provision of margin financing and money lending services, provision of placing and underwriting services, mergers and acquisitions services, and corporate finance and other related advisory services; (ii) asset management; (iii) insurance brokerage service and (iv) property investment.

#### Revenue

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Continuing operations</b>		
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major services lines		
– Brokerage commission and other related fees from dealing in securities	5,266	4,758
– Underwriting, sub-underwriting, placing and sub-placing commission	1,729	689
– Asset management	3,576	2,338
– Arrangement, referral, advisory and other fee income	3,360	3,847
– Insurance brokerage	3,965	7,223
	<u>17,896</u>	<u>18,855</u>
<b>Revenue from other sources</b>		
– Interest income from clients	41,833	49,927
– Rental income for investment property under operating leases – fixed lease payment ( <i>note</i> )	420	280
	<u>42,253</u>	<u>50,207</u>
	<u><u>60,149</u></u>	<u><u>69,062</u></u>

*Note:* An analysis of the Group's net rental income is as follows:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Gross rental income from investment property	<b>420</b>	280
Direct operating expenses incurred for investment property that generated rental income during the year (include property expenses)	<u>(58)</u>	<u>(58)</u>
Net rental income	<u><b>362</b></u>	<u>222</u>

**Disaggregation of revenue from contracts with customers by timing of recognition**

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Timing of revenue recognition</b>		
At a point in time	<b>11,455</b>	13,004
Over time	<u><b>6,441</b></u>	<u>5,851</u>
	<u><b>17,896</b></u>	<u>18,855</u>

**Other income**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from authorised institutions	<b>165</b>	758
Other interest income	<b>31</b>	495
	<hr/>	<hr/>
Total interest income	<b>196</b>	1,253
Government grants ( <i>note</i> )	–	30
Sundry income	<b>104</b>	18
	<hr/>	<hr/>
	<b>300</b>	1,301
	<hr/> <hr/>	<hr/> <hr/>

*Note:* During the year 31 December 2025, the Group has not recognised government grants (2024: HK\$30,000) related to Hong Kong Institute of Human Resource Management Job Creation Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

#### 4. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately, according to the nature of products and services provided, with each segment representing a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

The Group manages its businesses by divisions, which are organised by different business lines.

Information reported to the Group's Executive Committee, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment is prepared on this basis. The Group has identified the following six (2024: six) reportable segments under HKFRS 8 "Operating Segments" as follows:

- (i) the brokerage and financing segment engages in securities brokering and dealing, provision of margin financing and money lending, and placing and underwriting services;
- (ii) the corporate finance and other advisory services segment engages in provision of corporate financial advisory services and company secretarial services;
- (iii) the asset management segment engages in provision of asset management services;
- (iv) the insurance brokerage segment engages in provision of insurance brokerage services;
- (v) the proprietary trading segment engages in trading of equity securities, debt securities and other financial products; and
- (vi) the property investment segment engages in earning rentals from investment property.

Property investment segment was commenced during the year ended 31 December 2024.

The operating segment relating to the sales and marketing of digital assets was discontinued during the year ended 31 December 2024. The segment information reported on the next pages does not include any amounts for this discontinued operation, which are described in more details in note 9.

The following tables presented revenue and results of these reportable and operating segments for the years ended 31 December 2025 and 2024.

### Year ended 31 December 2025

	Brokerage and financing HK\$'000	Corporate finance and other advisory services HK\$'000	Asset management HK\$'000	Insurance brokerage HK\$'000	Proprietary trading HK\$'000	Property investment HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue	48,828	3,360	3,576	3,965	-	420	60,149	-	60,149
Intra-segment sales	373	1,810	-	-	-	-	2,183	(2,183)	-
	<u>49,201</u>	<u>5,170</u>	<u>3,576</u>	<u>3,965</u>	<u>-</u>	<u>420</u>	<u>62,332</u>	<u>(2,183)</u>	<u>60,149</u>
Segment (loss) profit	<u>(13,425)</u>	<u>(3,002)</u>	<u>2,628</u>	<u>(299)</u>	<u>(14,641)</u>	<u>7</u>	<u>(28,732)</u>	<u>-</u>	<u>(28,732)</u>
Unallocated administrative costs									(34,321)
Share of profit of an associate									<u>50</u>
Loss before tax									<u>(63,003)</u>

### Year ended 31 December 2024

<u>Continuing operations</u>	Brokerage and financing HK\$'000	Corporate finance and other advisory services HK\$'000	Asset management HK\$'000	Insurance brokerage HK\$'000	Proprietary trading HK\$'000	Property investment HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue	55,374	3,847	2,338	7,223	-	280	69,062	-	69,062
Intra-segment sales	360	1,560	-	-	-	-	1,920	(1,920)	-
	<u>55,734</u>	<u>5,407</u>	<u>2,338</u>	<u>7,223</u>	<u>-</u>	<u>280</u>	<u>70,982</u>	<u>(1,920)</u>	<u>69,062</u>
Segment (loss) profit	<u>(42,250)</u>	<u>(4,321)</u>	<u>588</u>	<u>(281)</u>	<u>(50,387)</u>	<u>(4,184)</u>	<u>(100,835)</u>	<u>-</u>	<u>(100,835)</u>
Unallocated administrative costs									(25,992)
Gain on disposal of a subsidiary									8
Share of loss of an associate									<u>(89)</u>
Loss before tax (continuing operations)									<u>(126,908)</u>

## 5. OTHER GAINS OR LOSSES, NET

### Continuing operations

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net exchange gain (loss)	225	(38)
Gain on disposal of property and equipment	536	230
Fair value change of financial asset at fair value through profit or loss	(2,172)	–
Fair value change of investment property	850	(3,770)
Gain on disposal of a subsidiary	–	8
Net realised and unrealised loss on financial assets held-for-trading	<u>(10,948)</u>	<u>(43,999)</u>
	<u>(11,509)</u>	<u>(47,569)</u>

## 6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

### Continuing operations

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Included in other operating expenses:		
Auditor's remuneration	1,384	1,595
Depreciation of property and equipment	498	660
Depreciation for right-of-use assets	4,325	6,956
Entertainment and travel expenses (mainly incurred for business development)	<u>7,606</u>	<u>3,168</u>

## 7. DIVIDENDS

No dividends was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

## 8. INCOME TAX (CREDIT) EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Continuing operations</b>		
Deferred tax	<u>(112)</u>	<u>121</u>

## 9. DISCONTINUED OPERATION

During the year ended 31 December 2025, the Group did not have any discontinued operation. The disposal of D&K Asset Management (HK) Limited, VC Technology Assets Limited and their respective subsidiaries (the “Disposal Group”) was completed on 27 September 2024, and control of the Disposal Group was passed to the acquirer on that date. The Disposal Group carried out all of the Group’s sales and marketing of digital assets segment, which represented a separate major line of business of the Group. Accordingly, the results of the Disposal Group for the year ended 31 December 2024 have been presented as discontinued operation in the consolidated statement of profit or loss and other comprehensive income, while the results for the year ended 31 December 2025 are all from continuing operations. The results of the Disposal Group for the year ended 31 December 2024 were analysed in the following tables.

The loss from the discontinued operation was analysed as follows:

	1/1/2024 – 27/9/2024 <i>HK\$'000</i>
Loss of sales and marketing of digital assets segment for the period	(2,533)
Gain on disposal of sales and marketing of digital assets segment	<u>416</u>
	<u>(2,117)</u>

The results of the sales and marketing of digital assets for the period were as follows:

	1/1/2024 – 27/9/2024 <i>HK\$'000</i>
Revenue	1,345
Other income	1
Staff costs	(792)
Depreciation of property and equipment	(36)
Other operating expenses	<u>(3,117)</u>
Loss before tax	(2,599)
Income tax credit	<u>66</u>
Loss for the period	<u><u>(2,533)</u></u>

## 10. LOSS PER SHARE

### From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share	<u><b>(62,603)</b></u>	<u>(128,425)</u>
	<b>2025</b> <i>'000</i>	2024 <i>'000</i> (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><b>262,454</b></u>	<u>248,241</u>

The weighted average number of ordinary shares for the year ended 31 December 2024 for the purpose of calculating the basic and diluted loss per share has been adjusted to reflect the effects of share consolidation and rights issue occurred during the year ended 31 December 2025.

### **From continuing operations**

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

Earnings figures are calculated as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Loss for the year attributable to the owners of the Company	<b>(62,603)</b>	(128,425)
Add: Loss for the year from discontinued operation	<u>–</u>	<u>1,407</u>
Loss for the purpose of basic and diluted loss per share from continuing operations	<b><u>(62,603)</u></b>	<b><u>(127,018)</u></b>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

### **From discontinued operation**

Basic and diluted loss per share for the discontinued operation during the year ended 31 December 2024 was HK0.56 cents per share, based on the loss for the year from discontinued operation of approximately HK\$1,407,000 and the denominators detailed above for both basic and diluted loss per share.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share for the years ended 31 December 2024.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the years ended 31 December 2024.

## 11. ACCOUNTS RECEIVABLE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Accounts receivable arising from the ordinary course of business of dealing in:		
Securities transactions ( <i>note a</i> ):		
Clearing house	4,300	1,314
Rolling balance cash clients	101,630	82,059
Less: Impairment loss	<u>(18,234)</u>	<u>(14,267)</u>
	<u>87,696</u>	<u>69,106</u>
Accounts receivable arising from the ordinary course of business of provision of corporate finance and other advisory services ( <i>note b</i> )	4,229	4,181
Less: Impairment loss	<u>(4,001)</u>	<u>(3,636)</u>
	<u>228</u>	<u>545</u>
Accounts receivable arising from the ordinary course of business of money lending services ( <i>note c</i> )	366,921	352,531
Less: Impairment loss	<u>(256,226)</u>	<u>(225,331)</u>
	<u>110,695</u>	<u>127,200</u>
Accounts receivable arising from the ordinary course of business of dealing in:		
Securities transactions ( <i>note d</i> ):		
Margin clients	103,935	115,291
Less: Impairment loss	<u>(57,457)</u>	<u>(56,307)</u>
	<u>46,478</u>	<u>58,984</u>
Accounts receivable arising from the ordinary course of business of asset management ( <i>note e</i> )	8,934	5,627
Accounts receivable arising from the ordinary course of business of insurance brokerage ( <i>note f</i> )	16	415
Accounts receivable arising from the ordinary course of business of property investment ( <i>note g</i> )	<u>–</u>	<u>105</u>
	<u>254,047</u>	<u>261,982</u>

- (a) The settlement terms of accounts receivable arising from the ordinary course of business of dealing in securities transactions are two trading days after the trade date. Accounts receivable from clearing house and majority of accounts receivable from rolling balance cash clients represent trades pending settlement arising from the business of dealing in securities transactions.

In respect of the accounts receivable arising from dealing in securities, except for those amounts due from margin clients, the aging analysis based on the trade date is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<b>8,518</b>	992
31 – 90 days	<b>29,871</b>	6,034
Over 90 days	<b>49,307</b>	62,080
	<u><b>87,696</b></u>	<u>69,106</u>

- (b) The settlement terms of accounts receivable arising from provision of corporate finance and other advisory services are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<b>96</b>	129
31 – 90 days	<b>132</b>	28
Over 90 days	<b>–</b>	388
	<u><b>228</b></u>	<u>545</u>

- (c) No aging analysis is disclosed as in the opinion of Directors as the aging analysis is not meaningful in view of the revolving nature of the business of money lending services.
- (d) No aging analysis is disclosed as in the opinion of Directors as the aging analysis is not meaningful in view of the revolving nature of the business of margin loan financing.

- (e) The settlement terms of accounts receivable arising from the ordinary course of business of asset management are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<b>338</b>	49
31 – 90 days	<b>628</b>	94
Over 90 days	<b>7,968</b>	5,484
	<b>8,934</b>	5,627

- (f) The settlement terms of accounts receivable arising from the ordinary course of business of insurance brokerage are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<b>16</b>	415

- (g) The settlement terms of accounts receivable arising from the ordinary course of business of property investment are normally due immediately from date of billing. The aging analysis of these receivables based on the invoice date is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	–	35
31 – 90 days	–	70
	–	105

## 12. ACCOUNTS PAYABLE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Accounts payable arising from the ordinary course of business of dealing in securities transactions ( <i>note a</i> ):		
Clearing house	–	109
Rolling balance cash clients	84,596	1,047
Margin clients	288	473
	<u>84,884</u>	<u>1,629</u>
Accounts payable arising from insurance brokerage ( <i>note b</i> )	<u>12</u>	<u>374</u>
	<u><u>84,896</u></u>	<u><u>2,003</u></u>

- (a) No aging analysis on accounts payable arising from dealing in securities is disclosed in the opinion of Directors as the aging analysis does not give additional value in view of the nature of this business.
- (b) The settlement terms of accounts payable arising from the ordinary course of business of insurance brokerage are normally due immediately upon presentation of statements. The aging analysis of this payable based on the statement dates is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<u>12</u>	<u>374</u>

## 13. EVENTS AFTER REPORTING PERIOD

On 26 January 2026, the Company granted 24,700,000 share options to the Directors, directors of certain subsidiaries and employees under its share option scheme. Each option gives the holder the right to subscribe for one ordinary share at an exercise price of HK\$0.295 per share. The options are valid for four years and will fully vest on 27 January 2027. This grant does not affect the financial position as at the reporting date but may increase the Company's share capital in the future if the options are exercised.

## **DIVIDEND**

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

## **CORPORATE GOVERNANCE**

The Company is committed to achieving and maintaining a high standard of corporate governance so as to ensure better transparency and protection of shareholders' interests. The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") for the year ended 31 December 2025, which were contained in Appendix C1 of the Listing Rules.

The Company has set up the following board committees to ensure maintenance of a high corporate governance standard:

- a. Executive Committee;
- b. Audit Committee;
- c. Remuneration Committee; and
- d. Nomination Committee.

The terms of reference of all the aforesaid board committees are given at the Company's website under the section "Corporate Governance".

## **AUDIT COMMITTEE**

The Company's Audit Committee is currently composed of three Independent Non-executive Directors of the Company, namely, Mr. Wong Chung Kin, Quentin (Chairman), Mr. Siu Miu Man, MH and Mr. Au Tin Fung, Edmund. The primary duties of the Audit Committee are to (i) review the Group's financial statements and published reports; (ii) provide advice and comments thereon to the Board; and (iii) review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee has reviewed the Group's consolidated financial statements and results for the year ended 31 December 2025 and satisfied that these have been prepared in accordance with the applicable accounting standards and fairly present the Group's financial positions and results for the year ended 31 December 2025.

## **SCOPE OF WORK OF PRISM HONG KONG LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, the related notes thereto for the year ended 31 December 2025 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Prism Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Prism Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism Hong Kong Limited on the preliminary announcement.

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

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or brought back any of the Company's listed securities.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.vcgroup.com.hk](http://www.vcgroup.com.hk). The Company's Annual Report for the year ended 31 December 2025 (the "2025 Annual Report") will be available on the same websites and will be dispatched to the Company's shareholders in due course.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company for the year 2025 will be held in June 2026. A notice convening this annual general meeting will be issued to the shareholders of the Company together with the 2025 Annual Report in due course, which will also be available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.vcgroup.com.hk](http://www.vcgroup.com.hk).

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises six Executive Directors, namely, Mr. Zhang Li (Chairman), Mr. Wong Kam Fat, Tony (Vice chairman), Mr. Fu Yiu Man, Peter, Mr. Lin Hoi Kwong, Ms. Li Cindy Chen and Mr. Chai Nan; and three Independent Non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, MH and Mr. Au Tin Fung, Edmund.

By Order of the Board of  
**Value Convergence Holdings Limited**  
**Zhang Li**  
*Chairman & Executive Director*

Hong Kong  
30 March 2026