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信控國際資本有限公司
XinKong International Capital Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 993)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of XinKong International Capital Holdings Limited (the “**Company**”) is pleased to present to its shareholders (the “**Shareholders**”) the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”), which is extracted from the consolidated financial statements for the year ended 31 December 2025 (the “**Year**”), together with the comparative figures for the year ended 31 December 2024 (the “**Last Year**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
REVENUE			
Commission and fee income	5	3,291	5,990
Interest income	5		
Interest income calculated using the effective interest method		12,751	76,446
Others		3,646	8,724
Investment income	5	–	1,281
		19,688	92,441

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Net (loss)/gain on financial assets at fair value through profit or loss		(274,019)	105,358
Net loss arising from disposal of financial assets at fair value through other comprehensive income		(114)	–
Net loss arising from disposal of financial assets at amortised cost		–	(10,030)
Other income and gains or losses, net		19,896	8,805
Brokerage and commission expenses		–	(7)
Administrative and other operating expenses		(41,822)	(63,121)
Impairment losses, net		(233,733)	(134,207)
Finance costs	6	(259,853)	(264,022)
LOSS BEFORE TAX	7	(769,957)	(264,783)
Income tax credit	8	15,551	23,739
LOSS FOR THE YEAR		(754,406)	(241,044)
Attributable to:			
Equity holders of the Company		(1,153,192)	(642,716)
Holder of perpetual capital securities		398,786	401,672
		(754,406)	(241,044)
BASIC LOSS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE COMPANY	9	(HK13.2 cents)	(HK7.4 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(754,406)</u>	<u>(241,044)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequently periods:		
Fair value gain on financial assets at fair value through other comprehensive income	5,964	19,584
Net provision for/(reversal of) impairment of financial assets at fair value through other comprehensive income included in profit or loss	2,558	(8,468)
Reclassification adjustments relating to disposal of financial assets at fair value through other comprehensive income during the year	114	–
Exchange differences on translation of foreign operations, net	<u>(17,092)</u>	<u>12,892</u>
OTHER COMPREHENSIVE (EXPENSES)/INCOME FOR THE YEAR, NET OF TAX	<u>(8,456)</u>	<u>24,008</u>
TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR	<u><u>(762,862)</u></u>	<u><u>(217,036)</u></u>
Attributable to:		
Equity holders of the Company	(1,161,648)	(618,708)
Holder of perpetual capital securities	<u>398,786</u>	<u>401,672</u>
	<u><u>(762,862)</u></u>	<u><u>(217,036)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		164	606
Other long term assets		1,043	1,043
Intangible assets		2,350	2,350
Right-of-use assets		–	1,887
Financial assets at fair value through profit or loss	10	469,065	782,015
Financial assets at fair value through other comprehensive income	11	19,209	24,575
Other loans and debt instruments	13	67,827	271,509
		<hr/>	<hr/>
Total non-current assets		559,658	1,083,985
		<hr/> <hr/>	<hr/> <hr/>
CURRENT ASSETS			
Advances to customers in margin financing	14	5,479	11,543
Accounts receivable	15	5,560	3,299
Prepayments, deposits and other receivables		19,837	13,319
Financial assets at fair value through profit or loss	10	203,164	283,423
Financial assets at fair value through other comprehensive income	11	50,426	52,628
Finance lease receivables	12	7,894	8,675
Other loans and debt instruments	13	34,542	67,750
Amounts due from related parties		12,860	11,003
Tax recoverable		–	161
Restricted bank balances		121,286	99,518
Deposits in other financial institutions		6,335	17,344
Cash and deposits with banks		442,019	413,122
		<hr/>	<hr/>
Total current assets		909,402	981,785
		<hr/> <hr/>	<hr/> <hr/>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
CURRENT LIABILITY			
Accounts payable	16	126,240	100,798
Other liabilities, payables and accruals		522,415	266,864
Interest-bearing borrowings		6,643	–
Amounts due to related parties		152,275	84,418
Tax payable		33,702	49,411
Lease liabilities		–	2,023
		<hr/>	<hr/>
Total current liabilities		841,275	503,514
		<hr/> <hr/>	<hr/> <hr/>
NET CURRENT ASSETS			
		68,127	478,271
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		627,785	1,562,256
		<hr/> <hr/>	<hr/> <hr/>
NON-CURRENT LIABILITIES			
Other liabilities, payables and accruals		–	3,504
Interest-bearing borrowings		4,062,595	3,832,133
		<hr/>	<hr/>
Total non-current liabilities		4,062,595	3,835,637
		<hr/> <hr/>	<hr/> <hr/>
Net liabilities			
		(3,434,810)	(2,273,381)
		<hr/>	<hr/>
EQUITY			
Share capital		8,710	8,710
Share premium and reserves		(9,687,355)	(8,525,707)
		<hr/>	<hr/>
Equity attributable to owners of the Company		(9,678,645)	(8,516,997)
Perpetual capital securities classified as equity instruments		6,243,835	6,243,616
		<hr/>	<hr/>
Total equity		(3,434,810)	(2,273,381)
		<hr/> <hr/>	<hr/> <hr/>

Notes:

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” or “**HKEx**”). The principal activity of the Company is investment holding. The Group is principally engaged in the brokerage and dealing of securities, margin financing, loan financing, financial advisory, direct investments, investment holding, provision of advising on corporate finance services and provision of management services. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of operations of the Company is Rooms 1703–1704, 17/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong. The intermediate controlling shareholder of the Company is China CITIC Financial AMC International Holdings Limited (“**CFAIH**”) that is incorporated in Hong Kong through Camellia Pacific Investment Holding Limited and Right Select International Limited, both of which are incorporated in the British Virgin Islands and wholly-owned subsidiaries of CFAIH. China CITIC Financial Asset Management Co., Ltd. (“**CCFAMC**”), a company established in the PRC and whose shares are listed on the Stock Exchange, became the ultimate holding company since 2015. Currently, major Shareholders of CCFAMC include CITIC Group Corporation, Ministry of Finance (the “**MOF**”), National Council for Social Security Fund, China Insurance Rongxin Private Fund Co., Ltd., and China Life Insurance (Group) Company.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (“**FVTPL**”), and financial assets at fair value through other comprehensive income (“**FVTOCI**”), which are measured at fair value, as explained in the accounting policies set out below.

These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

As at 31 December 2025, the Group had net current assets of HK\$68 million and net liabilities of HK\$3,435 million, and incurred a loss of HK\$754 million for the year then ended.

In view of above circumstances, the directors have given consideration to the Group’s future liquidity, financial performance and available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. To improve the Group’s liquidity and cash flows and to sustain its ability to continue as a going concern, the Group has implemented, or is in the process of implementing, the following measures:

(i) Bank credit facilities for financing

As at 31 December 2025, the Group had total bank credit facilities of HK\$100,000,000, none of which were utilised.

(ii) Support from intermediate controlling shareholder

The Group has obtained a letter of support from its intermediate controlling shareholder, CFAIH, confirming its intention to provide sufficient financial support to enable the Group to meet its obligations and liabilities as and when they fall due. The directors are of the opinion that such financial support will continue to be forthcoming. As at 31 December 2025, CFAIH, directly and indirectly through its subsidiaries, had advanced an aggregate of HK\$10.3 billion to the Group in the form of intercompany loans and perpetual securities. Depending on its working capital requirements, the Group may obtain additional loans from CFAIH at different times and amounts.

(iii) Disposal of publicly traded bonds and listed equity securities

In respect of publicly traded bonds and the listed equity securities in Hong Kong held by the Group which are classified either as financial assets at fair value through profit or loss or as financial assets at fair value through other comprehensive income in the consolidated statement of financial position as at 31 December 2025, the Directors are of the opinion that the Group would be able to dispose of these investments as and when necessary to alleviate its liquidity pressure.

(iv) Measures to recover project cashflows, control expenses and contain capital expenditures

The Group will implement active measures to improve its cash flow by focusing resources on recovering cash flows from existing projects and investments in the upcoming year. At the same time, the Group will continue to strengthen administrative costs controls through various measures, including reinforced communication of the budget requirements and ongoing monitoring by the finance department.

(v) Actively develop licensed business

The Group continues to focus on the development of its licensed businesses, including securities brokerage, asset management and corporate finance. The Group will also seek for opportunities to explore new markets for its licensed business.

The directors have reviewed the Group's cash flow projections prepared by management, cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Audit Committee of the Board has confirmed that it has objectively and critically reviewed the measures mentioned above. The Audit Committee of the Board and the Board have confidence in the Group's management and concurred with management's view that the Group's business plan for the next twelve months is feasible and achievable. The Group has actively implemented, or is actively implementing, all the improvement targets outlined above for the purposes of increasing profits and improving the cash flow position of the Group.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee.
- (b) rights arising from other contractual arrangements.
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES

Amendments to standards and interpretations that are mandatorily effective for the current year

The Group has adopted the following amendments to standards and interpretations issued by the HKICPA for the first time for the current year's financial statements.

Amendments to HKAS 21 *Lack of Exchangeability*

The nature and the impact of the revised HKFRS Accounting Standards are described below:

- (a) Amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. As no lack of exchangeability noted by the Group, the amendments did not have any impact on the Group's financial statements.

New and amendments to 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 by are not yet effective.

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

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

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

³ Effective for annual periods beginning on or after a date to be determined

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity allows companies to better report the financial effects of nature-dependent electricity contracts, the Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity were published, which clarifying the application of the 'own-use' requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS Accounting Standards set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7.

- **HKFRS 7 Financial Instruments: Disclosures:** The amendments remove an obsolete reference to paragraph 27A and update the wordings in paragraph B38 of HKFRS 7 regarding "unobservable inputs" to be consistent with HKFRS 13. The amendments to the accompanying guidance on implementing HKFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7, as well as update the wordings in paragraph IG14 of HKFRS 7 regarding "fair value" consistent with other standards. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- **HKFRS 9 Financial Instruments:** The amendments address a conflict between HKFRS 9 and HKFRS 15 over the initial measurement of trade receivables, and how a lessee accounts for the derecognition of a lease liability under HKFRS 9. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- **HKFRS 10 Consolidated Financial Statements:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as de facto agents. The amendments are not expected to have significant impact on the consolidated financial statements of the Group.
- **HKAS 7 Statement of Cash Flows:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". The amendments are not expected to have significant impact on the consolidated financial statements of the Group.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

4. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Executive Committee as its chief operating decision maker.

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

- (a) the securities segment comprises the broking and dealing of securities and the provision of margin financing services.
- (b) the corporate finance segment provides financial advisory services to listed companies and non-listed companies.
- (c) the asset management and direct investment segment comprises the provision of asset management services and direct investments in equities, bonds, funds, derivative instruments and other financial products.
- (d) the financial services and others segment comprises finance lease services and other related services.

Segment performance is evaluated based on reportable segment result, which is measured consistently with the Group's loss before tax except that certain other income and gains or losses, certain finance costs and other unallocated expenses (including certain staff costs, certain rental expenses, certain depreciation, certain legal and professional fees and certain other expenses, incurred for strategic planning of the Group) are excluded from such measurement.

For the measurement of segment liabilities and results, interest-bearing borrowings are not allocated to segments while their corresponding finance costs are allocated to segment results.

(a) **Operating segments**

The following tables present the revenue and results for the years ended 31 December 2025 and 2024 for the Group's operating segments.

For the year ended 31 December 2025

	Securities <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management and direct investment <i>HK\$'000</i>	Financial services and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
Commission and fee income	2,298	–	993	–	3,291
Interest income	<u>2,557</u>	<u>–</u>	<u>13,840</u>	<u>–</u>	<u>16,397</u>
	<u>4,855</u>	<u>–</u>	<u>14,833</u>	<u>–</u>	<u>19,688</u>
Net loss on financial assets at fair value through profit or loss	–	–	(274,019)	–	(274,019)
Net loss arising from disposal of financial assets at fair value through other comprehensive income	–	–	(114)	–	(114)
Other income and gains or losses, net	<u>3,230</u>	<u>–</u>	<u>34,067</u>	<u>(24,555)</u>	<u>12,742</u>
	<u>8,085</u>	<u>–</u>	<u>(225,233)</u>	<u>(24,555)</u>	<u>(241,703)</u>
Segment results	<u>(3,220)</u>	<u>–</u>	<u>(786,439)</u>	<u>12,548</u>	<u>(777,111)</u>
Unallocated other income and gains or losses, expenses, net					<u>7,154</u>
Loss before tax					(769,957)
Income tax credit					<u>15,551</u>
Loss for the year					<u>(754,406)</u>

Other segment information for the year ended 31 December 2025

	Securities <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management and direct investment <i>HK\$'000</i>	Financial services and others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Finance costs	-	-	(259,853)	-	-	(259,853)
Net provision for impairment of other loans and debt instruments	-	-	(249,748)	-	-	(249,748)
Net provision for impairment of advances to customers in margin financing	(6,434)	-	-	-	-	(6,434)
Net provision for impairment of finance lease receivables	-	-	-	(781)	-	(781)
Net provision for impairment of financial assets at fair value through other comprehensive income	-	-	(2,558)	-	-	(2,558)
Net provision for impairment of other asset	(9)	-	-	-	-	(9)
Depreciation	-	-	(2,076)	-	-	(2,076)
	<u>-</u>	<u>-</u>	<u>(2,076)</u>	<u>-</u>	<u>-</u>	<u>(2,076)</u>

For the year ended 31 December 2024

	Securities <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management and direct investment <i>HK\$'000</i>	Financial services and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue					
Commission and fee income	4,483	-	1,507	-	5,990
Interest income	453	-	84,717	-	85,170
Investment income	-	-	1,281	-	1,281
	<u>4,936</u>	<u>-</u>	<u>87,505</u>	<u>-</u>	<u>92,441</u>
Net gain on financial assets at fair value through profit or loss	-	-	105,358	-	105,358
Net loss arising from disposal of financial assets at amortised cost	-	-	-	(10,030)	(10,030)
Other income and gains or losses, net	5,696	51	18,502	(26,405)	(2,156)
	<u>10,632</u>	<u>51</u>	<u>211,365</u>	<u>(36,435)</u>	<u>185,613</u>
Segment results	<u>14,736</u>	<u>(3,681)</u>	<u>(184,110)</u>	<u>(84,779)</u>	<u>(257,834)</u>

	Securities <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management and direct investment <i>HK\$'000</i>	Financial services and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Unallocated other income and gains or losses, expenses, net					(6,949)
Loss before tax					(264,783)
Income tax credit					23,739
Loss for the year					<u>(241,044)</u>

Other segment information for the year ended 31 December 2024

	Securities <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management and direct investment <i>HK\$'000</i>	Financial services and others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Finance costs	-	-	(249,248)	-	(14,774)	(264,022)
Net provision for impairment of other loans and debt instruments	-	-	(86,072)	-	-	(86,072)
Net reversal of impairment of advances to customers in margin financing	11,215	-	-	-	-	11,215
Net provision for impairment of other financial assets at fair value through other comprehensive income	-	-	8,468	-	-	8,468
Net provision for impairment of other financial assets at amortised cost	(8)	-	(4,004)	-	-	(4,012)
Net provision for impairment of other asset	-	-	(16,833)	-	-	(16,833)
Depreciation	(1)	-	(2,850)	-	-	(2,851)

The following tables present the assets and liabilities for the Group's operating segments as at 31 December 2025 and 2024. During the year ended 31 December 2024, certain corporate assets have been re-allocated into the respective segments.

As at 31 December 2025

	Securities <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management and direct investment <i>HK\$'000</i>	Financial services and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total segment assets	225,066	10,267	982,988	196,282	1,414,603
Intercompany eliminations					6,218
Other unallocated assets					48,239
Total assets					<u>1,469,060</u>
Total segment liabilities	143,505	–	506,832	11,023	661,360
Intercompany eliminations					6,218
Other unallocated liabilities					4,236,292
Total liabilities					<u>4,903,870</u>

As at 31 December 2024

	Securities <i>HK\$'000</i>	Corporate finance <i>HK\$'000</i>	Asset management and direct investment <i>HK\$'000</i>	Financial services and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total segment assets	205,848	10,126	1,742,287	71,351	2,029,612
Intercompany eliminations					(7,236)
Other unallocated assets					43,394
Total assets					<u>2,065,770</u>
Total segment liabilities	121,204	–	354,262	26,472	501,938
Intercompany eliminations					(7,236)
Other unallocated liabilities					3,844,449
Total liabilities					<u>4,339,151</u>

(b) Geographical information

The Group's operations are located in Hong Kong and Chinese Mainland.

Information about the Group's revenue from external customers is presented based on the location of the operations.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	13,986	32,667	2,509	4,838
Chinese Mainland	5,702	59,774	5	5
Total	<u>19,688</u>	<u>92,441</u>	<u>2,514</u>	<u>4,843</u>

Note: Non-current assets excluded financial assets.

(c) Information about major customers

During the year ended 31 December 2025, two external customers namely customer A and customer B contributed more than 10% of total revenue of the Group (2024: two external customers namely customer B and customer C contributed more than 10% of total revenue of the Group):

	2025 HK\$'000	2024 HK\$'000
Customer A from asset management and direct investment:	6,613	–
Customer B from asset management and direct investment:	5,702	10,513
Customer C from asset management and direct investment*:	–	59,468

* *The corresponding receivable of the revenue has been fully provided for impairment.*

5. REVENUE

The Group's revenue is disaggregated as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Revenue from contracts with customers</i>		
Commission and fee income (<i>note (i)</i>):		
Fee and commission income on securities dealing and brokerage	2,298	4,192
Management fee income	993	1,507
Other service income	–	291
	<u>3,291</u>	<u>5,990</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from other sources</i>		
Interest income:		
Interest income calculated using the effective interest method		
Interest income from other loans and debt instruments	12,314	75,993
Interest income from margin financing activities	437	453
	<u>12,751</u>	<u>76,446</u>
Interest income – others:		
Interest income from financial assets at fair value through profit or loss	2,558	4,078
Interest income from financial assets at fair value through other comprehensive income	1,088	4,646
	<u>3,646</u>	<u>8,724</u>
Total interest income	<u>16,397</u>	<u>85,170</u>
Investment income:		
Dividend income	–	1,281
Total revenue	<u>19,688</u>	<u>92,441</u>

Note:

(i) Disaggregated revenue information for revenue from contracts with customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Services transferred at a point in time	2,298	4,483
Services transferred over time	993	1,507
Total revenue from contracts with customers	<u>3,291</u>	<u>5,990</u>

6. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank borrowings	–	14,774
Interest on repurchase agreements and other activities	–	290
Interest on loans from an intermediate holding company		
– repayable on demand and within one year	258,231	213,455
Interest on loans from an immediate holding company		
– repayable on demand and within one year	–	33,335
Interest on a loan from a fellow subsidiary		
– repayable in more than one year but not more than five years	1,592	2,133
Interest on lease liabilities	30	35
	259,853	264,022

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation of property, plant and equipment	442	1,858
Depreciation of right-of-use assets	1,634	993
Auditor's remuneration	2,480	3,900
Legal and professional fees	10,523	8,862
Salaries, bonuses and allowances (including directors' remuneration)	10,418	18,111
Pension scheme contributions (including directors' remuneration)	226	1,264
Net provision for impairment of other loans and debt instruments	249,478	86,072
Net provision/(reversal of) for impairment of advances to customers in margin financing	6,434	(11,215)
Net provision for impairment of finance lease receivables	781	46,973
Net provision/(reversal of) impairment of financial assets at fair value through other comprehensive income	2,558	(8,468)
Net provision for impairment of accounts receivable	9	4,012
Net provision for impairment of other assets	–	16,833

8. INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong	–	–
(Over)/under-provision in prior years:		
Hong Kong	–	180
Chinese Mainland	<u>(15,551)</u>	<u>(23,919)</u>
	<u>(15,551)</u>	<u>(23,739)</u>

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime insignificant to the consolidated financial statements. Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for both years.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in Chinese Mainland was 25% for the year (2024: 25%).

A reconciliation of the tax applicable to loss before tax at the statutory rate of Hong Kong, where the Company is headquartered, to the tax expense is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss before tax	<u>(769,957)</u>	<u>(264,783)</u>
Tax at the statutory tax rate of 16.5% (2024: 16.5%)	(127,043)	(43,689)
Effect of different tax rate of 8.25% under two-tiered tax regime (2024: 8.25%)	–	(110)
Over-provision in prior years	(15,551)	(23,739)
Income not subject to tax	(744)	(2,911)
Expenses not deductible for tax	3,169	11,946
Effect of tax loss not recognised	148,533	168,697
Temporary difference not recognised	(16,558)	(99,030)
Tax loss utilised	(2,070)	(27,643)
Effect of different tax rate of subsidiaries operating on other jurisdiction	<u>(5,287)</u>	<u>(7,260)</u>
Tax credit for the year	<u>(15,551)</u>	<u>(23,739)</u>

At the end of the year, the Group has unused tax losses arising in Hong Kong of approximately HK\$9,824,956,000 (2024: HK\$9,449,734,000) available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The group also has tax losses arising in PRC of HK\$799,992,000 (2024: HK\$820,674,000) that will expire in one to five years for offsetting against future taxable profits. As of 31 December 2025, no deferred tax asset has been recognised due to the unpredictability of future profit streams.

At 31 December 2025, the Group has other deductible temporary differences of HK\$957,718,000 (2024: HK\$859,352,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At 31 December 2025 and 2024, in the opinion of the directors that there was no significant unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in PRC that are subject to withholding taxes.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share attributable to ordinary equity holders of the Company is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss		
Loss for the year attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	<u>(1,153,192)</u>	<u>(642,716)</u>
	Number of shares	
	2025	2024
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u>8,709,586</u>	<u>8,709,586</u>

No diluted loss per share was presented for both years because there were no potential dilutive ordinary shares during both the current and prior years.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Financial assets at fair value through profit or loss (“FVTPL”)		
Non-current:		
– Unlisted fund investments	168,516	320,120
– Listed fixed income securities	28,297	33,480
– Unlisted fixed income securities (<i>note (ii)</i>)	<u>272,252</u>	<u>428,415</u>
	<u>469,065</u>	<u>782,015</u>
Current:		
– Unlisted fund investments (<i>note (i)</i>)	147,360	168,392
– Listed equity investments	14,835	10,513
– Listed fixed income securities	<u>40,969</u>	<u>104,518</u>
	<u>203,164</u>	<u>283,423</u>
Total financial assets at FVTPL	<u><u>672,229</u></u>	<u><u>1,065,438</u></u>

Notes:

- (i) The Group expects to realise the unlisted fund investments of approximately HK\$147,360,000 (2024: HK\$168,392,000) within the next twelve months and has accordingly classified them as current assets.
- (ii) The coupon rate of these unlisted fixed income securities is 7% (2024: 7%) per annum as at 31 December 2025. The Group expects to realise such unlisted fixed income securities in more than 1 year (2024: expects to realise such unlisted fixed income securities in more than 1 year).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current:		
Fixed income investments, at fair value	19,209	24,575
Current:		
Fixed income investments, at fair value	<u>50,426</u>	<u>52,628</u>
	<u>69,635</u>	<u>77,203</u>

During the year, the gain in respect of changes in the fair value of the Group's financial assets at FVTOCI recognised in other comprehensive income amounted to approximately HK\$5,964,000 (2024: gain of approximately HK\$19,584,000). During the year, the Group has made net provision for impairment of financial assets at fair value through other comprehensive income included in profit or loss of HK\$2,558,000 (2024: net reversal of impairment of HK\$8,468,000). Total allowance for impairment as at 31 December 2025 is HK\$155,496,000 (2024: HK\$224,671,000). During the year, loss of approximately HK\$114,000 was reclassified from other comprehensive income to profit or loss upon disposal (2024: there has no gain or loss arising from the redemption of financial assets at FVTOCI).

Interest income derived from financial assets at FVTOCI was recognised as "interest income from financial assets at fair value through other comprehensive income" within "revenue".

12. FINANCE LEASE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Minimum finance lease receivables:		
Within one year	57,831	174,709
Less: Unearned finance income	—	—
	<hr/>	<hr/>
Net amount of finance lease receivables	57,831	174,709
Less: Allowance for expected credit losses (“ECL”)	(49,937)	(166,034)
	<hr/>	<hr/>
Carrying amount of finance lease receivables	<u>7,894</u>	<u>8,675</u>
	<hr/>	<hr/>
Present value of minimum finance lease receivables:		
Within one year	57,831	174,709
	<hr/>	<hr/>

Movement of ECL

	<i>HK\$'000</i>
At 1 January 2024	512,335
Net provision for impairment for the year	46,973
Written off	(48,258)
Disposal	(339,323)
Exchange difference on translation of foreign operations	(5,693)
	<hr/>
At 31 December 2024 and 1 January 2025	166,034
Net provision for impairment for the year	781
Written off	(110,747)
Exchange difference on translation of foreign operations	(6,131)
	<hr/>
At 31 December 2025	<u>49,937</u>

At 31 December 2025, finance lease receivables were all secured by the lease assets which are mainly motor vehicles and equipment. Interest rates of the above finance leases ranged from 6.80% to 9.75% per annum (2024: 6.80% to 9.75% per annum).

13. OTHER LOANS AND DEBT INSTRUMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other loans and debt instruments	1,326,745	1,333,979
Less: Allowance for expected credit losses	<u>(1,224,376)</u>	<u>(994,720)</u>
	<u>102,369</u>	<u>339,259</u>
Analysed as:		
Non-current	67,827	271,509
Current	<u>34,542</u>	<u>67,750</u>
	<u>102,369</u>	<u>339,259</u>

As at 31 December 2025, other loans and debt instruments have contractual interest rates ranging from 8.5% to 25% per annum (2024: 8.5% to 25% per annum).

As at 31 December 2025, other loans and debt instruments with a carrying amount of approximately HK\$102,369,000 were secured by equity interests in companies listed in Hong Kong and land and properties in Chinese Mainland (2024: approximately HK\$339,259,000 were secured by equity interests in companies listed in Hong Kong and land and properties in Chinese Mainland).

One of the other loans with a carrying amount of approximately HK\$34,542,000 (2024: HK\$67,750,000) was expected to be settled within one year. No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional values.

Regular reviews on other loans and debt instruments are conducted by the risk management department based on the latest status of other loans and debt instruments, and the latest announced or available information about the borrowers and the underlying collaterals held. Apart from collateral monitoring, the Group seeks to maintain effective control over its loans and debt instruments in order to minimise credit risk by regularly reviewing the borrowers' and/or guarantors' financial position.

The management of the Group estimates the amount of loss allowance for expected credit loss on these credit impaired loan receivables by assessing the present value of estimated future cash flows with the consideration of expected future credit loss of the respective loans which are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors or borrowers, which include any (i) significant financial difficulty of the debtors or borrowers, (ii) breach of contract or probability that the debtors or borrowers will enter bankruptcy and (iii) the status and progress of financial restructuring, general economic conditions and both the current conditions at the reporting date as well as the forecast of future conditions with significant judgments involved. Moreover, the Group also reviews and assesses the fair value of the collateral received from the customers in determining the impairment with the involvement of third party qualified valuers, if necessary. The assessment of the credit risk and therefore expected cash flows of the respective loan involves a high degree of estimation and uncertainty. In the opinion of the directors of the Company, the impairment provision for the current period is sufficient.

As at 31 December 2025, the gross carrying amount of other loans and debt instruments under 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (2024: nil), nil (2024: HK\$68,211,000) and HK\$1,326,745,000 (2024: HK\$1,265,768,000), respectively.

As at 31 December 2025, the average loss rates of other loans and debt instruments under 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were nil (2024: nil), nil (2024: 0.68%) and 81% (2024: 79%), respectively.

As at 31 December 2025 and 31 December 2024, the contractual amount outstanding on other loans and debt instruments that have been written off were nil.

14. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Advances to customers in margin financing	94,369	93,999
Less: Allowance for expected credit losses	<u>(88,890)</u>	<u>(82,456)</u>
	<u><u>5,479</u></u>	<u><u>11,543</u></u>

The advances to customers in margin financing are interest-bearing and secured by the underlying pledged securities. The Group maintains a list of approved securities for margin lending at a specific loan to collateral ratio. Any excess in the lending ratio will trigger a margin call in the case of which the customers have to make additional funds available for the shortfall.

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

The Group allows a credit period of up to the settlement dates of the respective securities transactions or a credit period mutually agreed with the contracting parties. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables so as to minimise credit risk. Advances for margin financing are secured by the pledge of customers' securities as collaterals. The credit facility limits to customers in margin financing are determined by the market value of the collateral securities accepted by the Group. Overdue balances are reviewed regularly by the management. The carrying amount of the loans and the market value of the collateral securities are reviewed regularly by the risk management department. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be repledged or sold at the Group's discretion to settle any outstanding amount owed by margin clients.

All the pledged securities were listed equity securities in the respective stock exchanges in Hong Kong as at 31 December 2025 and 2024, amounted to HK\$4,846,000 and HK\$13,385,000, respectively. The loans are repayable on demand subsequent to the settlement date of the trade.

As at 31 December 2025, the Group has concentration of credit risk as 99% (2024: 99%) of the total advances to securities margin clients due from the Group's five largest securities margin clients.

In determining the allowances for credit impaired loans to margin clients, the management of the Group also takes into account the shortfall by comparing the market value of securities pledged as collateral and the outstanding balance of the loan to margin clients individually taking into account of the subsequent settlement or executable settlement plan and restructuring arrangements. The management of the Group estimates the amount of expected credit loss allowance on these credit impaired loan receivables by assessing the present value of estimated future cash flows with the consideration of expected future credit losses of the respective loans which are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors or borrowers, which include any (i) significant financial difficulty of the debtors or borrowers, (ii) breach of contract or probability that the debtors or borrowers will enter bankruptcy and (iii) the status and progress of financial restructuring, general economic conditions and both the current conditions at the reporting date as well as the forecast of future conditions with significant judgments involved. Moreover, the Group also reviews and assesses the market value of the collateral received from the customers in determining the impairment with the involvement of independent qualified valuers, if necessary.

The assessment of the credit risk and therefore expected cash flows of the respective loan involves a high degree of estimation and uncertainty. In the opinion of the directors of the Company, the impairment provision for the current period is sufficient.

As at 31 December 2025, the gross carrying amount for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were HK\$632,000 (2024: HK\$700,000), nil (2024: nil) and HK\$93,737,000 (2024: HK\$93,299,000), respectively.

As at 31 December 2025, the average loss rates for 12-month ECL, lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) were 0.01% (2024: 0.01%), nil (2024: nil) and 95.4% (2024: 88.4%), respectively.

As at 31 December 2025 and 31 December 2024, the contractual amount outstanding on advances to customers in margin financing that have been written off, but were still subject to enforcement activity was nil.

15. ACCOUNTS RECEIVABLE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Accounts receivable from:		
– securities, futures and options dealing services		
– clients	1,107	1,007
– brokers, dealers and clearing houses	4,760	2,240
– corporate finance and asset management	–	6,358
– direct investment and others	80,000	73,992
	<u>85,867</u>	<u>83,597</u>
Less: Allowance for expected credit losses	(80,307)	(80,298)
	<u>5,560</u>	<u>3,299</u>

Accounts receivable from clients, brokers, dealers and clearing houses arising from the business of dealing in securities are repayable on demand subsequent to the settlement date and bear variable interests at commercial rates. The normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after the trade date or at specific terms agreed with clients, brokers and dealers.

Normal settlement terms of accounts receivable arising from the business corporate finance and asset management are determined in accordance with the agreed terms, usually within 3 months after the service was provided.

An ageing analysis of the Group's accounts receivable, based on the trade date and net of allowance for expected credit losses, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	5,560	2,949
31–90 days	–	–
91–365 days	–	–
Over 365 days	–	350
	5,560	3,299

Movement of ECL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of year	80,298	76,286
Net provision for impairment	9	4,012
At end of year	80,307	80,298

For accounts receivable from clients, the management ensures that the available cash balance and listed equity securities belonging to accounts receivable clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group. For the remaining accounts receivable that are overdue, management maintains effective control over the repayment schedule and assesses the latest status of the debtors.

As at 31 December 2025, accounts receivable amounting to nil (2024: HK\$6,358,000) arose from corporate finance and asset management business which is under the scope of HKFRS 15 and accounts receivable amounting to HK\$80,000,000 (2024: HK\$73,992,000) arose from direct investment business. The Group performs impairment assessment under lifetime ECL on these balances individually for debtors. As at 31 December 2025, allowance amounting to HK\$80,000,000 (2024: HK\$79,999,000) was made accordingly.

The remaining allowance for expected credit losses of accounts receivable is the provision for individually impaired accounts receivable from securities clients of approximately HK\$307,000 (2024: HK\$299,000).

16. ACCOUNTS PAYABLE

An ageing analysis of the Group's accounts payable, based on the settlement due date, is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 1 month	<u>126,240</u>	<u>100,798</u>

The accounts payable are unsecured and repayable on the settlement date of the relevant trades or upon demand from customers.

17. DIVIDENDS

The Directors of the Company do not recommend the payment of any dividend for the Year. No dividend was paid to the Shareholders of the Company for the years ended 31 December 2025 and 31 December 2024. The Board has resolved not to declare the payment of any dividend for the years ended 31 December 2025 and 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

For the Year, the Group recorded a revenue of approximately HK\$19,688,000 (Last Year: approximately HK\$92,441,000), net loss on financial assets at fair value through profit or loss of approximately HK\$274,019,000 (Last Year: net gain of approximately HK\$105,358,000), and net loss arising from the disposal of financial assets at fair value through other comprehensive income of HK\$114,000 (Last Year: HK\$nil) and gain arising from the disposal of financial assets at amortised cost of HK\$nil (Last Year: net loss of HK\$10,030,000). Therefore, total revenue, investment gains or losses described above recorded net loss amounting to approximately HK\$254,445,000 (Last Year: net gain of approximately HK\$187,769,000). The Group recorded a loss for the Year of approximately HK\$754,406,000 as compared to a loss of approximately HK\$241,044,000 for Last Year. Loss attributable to Shareholders for the Year was approximately HK\$1,153,192,000 as compared to that of HK\$642,716,000 for Last Year. The increase in net loss for the Year was mainly due to (1) the decline in revenue; (2) a substantial net loss was recorded for financial assets at fair value through profit or loss this year, compared to a net gain in the previous year; and (3) the further decrease in the expected recoverable amount of a loan from the Group, resulting in a significant impairment loss recognized this year.

Basic loss per share was HK13.2 cents for the Year as compared to basic loss per share of HK7.4 cents for Last Year. No diluted loss/earnings per share has been presented for the Year and Last Year as there was no dilutive ordinary shares for the Year.

BUSINESS REVIEW

In 2025, factors such as heightened geopolitical tensions and the implementation of tariff measures by the United States caused considerable uncertainty to the global markets. The global economy experienced a differentiated recovery, while the external environment remained complex and volatile. Nevertheless, under the framework of “persistence in progress with prudence”, Chinese Mainland had deepened its structural adjustments, and both Chinese Mainland and Hong Kong showed signs of moderate economic recovery.

Securities

Securities business segment includes the provision of online and offline securities transactions, custodian services, financing and investment advisory services. The Group persisted in compliant business operation and has expedited business transformation with a focus on its principal business against a complicated economic environment, and strengthened marketing and business development effort. Moreover, the Group continued to enhance business synergies and assisted in the disposal of stock assets in existing projects within the system to increase intermediary income.

For the Year, the revenue from the securities segment was approximately HK\$4,855,000 as compared to approximately HK\$4,936,000 for Last Year. The slight year-on-year decrease in total revenue was attributable mainly to the decrease in revenue from new share subscription, commission and financing interest as a whole due to run off of retail customers. The result of the securities business segment for the Year recorded a loss of approximately HK\$3,220,000 as compared to a profit of approximately HK\$14,736,000 for Last Year, which was mainly due to the decline in the market value of securities pledged as collateral by margin loan clients in this year, for which additional provision of impairment allowances are needed, whereas in the previous year, the increase in their market value allowed for the reversal of a larger amount of impairment allowances.

Asset Management and Direct Investment

The asset management and direct investment segment is engaged in the provision of asset management and fund management services and investment of its own funds in equity, debt, funds and other financial products. Throughout 2025, despite the persistently complex and volatile macro environment, Hong Kong witnessed a sound growth resilience in asset management business. Benefiting from the sustained southbound capital inflows, gradual recovery in capital market activities and positive impact of the New Capital Investment Entrant Scheme, the position of Hong Kong as an international asset management centre was further consolidated. For the Year, the Group closely monitored market changes, seized investment opportunities, and continued to enhance its risk control measures, including monitoring market risks and credit risks. These initiatives ensured the stable performance of its existing assets by strengthening project outreach and deepening engagements with clients. Meanwhile, the Group actively propelled risk resolving efforts to steadily reduce existing risks through measures such as litigation recovery and collateral disposal. In business development, the Group continued to focus on asset management within the sector of non-performing assets, in particular investment and financing needs for central and state-owned enterprises as well as relief for distressed assets enterprises, with a view to striving for steady investment returns.

For the Year, the revenue from this segment was approximately HK\$14,833,000, versus the segment revenue of approximately HK\$87,505,000 for Last Year. The decrease in revenue was attributable mainly to the decrease in interest income in line with the reduction in asset size as a result of the ongoing cutback of risk assets. Due to the decrease in the estimated recoverable amount of certain investment projects or increased uncertainty regarding the timing of their recovery, the net gain or loss on financial assets at fair value through profits or loss shifted from a net gain of approximately HK\$105,358,000 for Last Year to a net loss of approximately HK\$274,019,000 for the Year. The segment result for the Year recorded a loss of approximately HK\$786,439,000, versus the segment result for Last Year recorded a loss of approximately HK\$184,072,000. The increase in losses is primarily attributable to the decrease in revenue, coupled with the recognition of a significant net loss on financial assets at fair value through profit or loss in this year, as compared to a net gain recorded in the previous year.

Corporate Finance

On one hand, the Group proactively advanced the transformation of its licensed business, as it strengthened compliance awareness and enhanced risk control, whilst continuously seeking cost reductions and cost effectiveness. On the other hand, the Group has established coordinated development with CCFAMC's nonperforming assets business to strive for playing an instrumental supporting role, in a gradual endeavour to forge its advantages in differentiated operations and achieve breakthrough.

For the Year, no revenue was generated from the corporate finance segment due to departmental functions and staff repositioning (Last Year: nil). The segment result was HK\$nil (Last Year: loss of approximately HK\$3,681,000).

Financial Services and Others

Financial services and others segment includes provision of finance lease services and other related services in Chinese Mainland. It is focusing on providing services to the basic industries which conform to the PRC's industrial policy and economic development trend, by way of introducing financial leasing to relevant industries with a view to obtaining rental income. The financial services and other businesses still mainly focus on gradually recovering the existing projects, and no new projects were added during the Year.

During the Year, the revenue from this segment was HK\$nil (Last Year: HK\$nil) and net amount of approximately HK\$nil was recorded (Last Year: net loss of approximately HK\$10,030,000) from the disposal of financial assets at amortised cost. Affected by foreign exchange gains and losses, a gain of approximately HK\$12,548,000 was recorded for this segment (Last Year: loss of approximately HK\$84,779,000).

PROSPECTS

In 2026, the global economy is expected to remain stable amid divergent forces. On one hand, escalating geopolitical tensions and shifts in trade policies will continue to weigh on economic development. On the other hand, surging investments in technology, fiscal and monetary support from various countries, and an overall accommodative financial environment will provide support. Against the uncertainties in the external environment, the economic growth in Chinese Mainland and Hong Kong will inevitably be subject to pressure but still expect to maintain a trajectory of steady progress.

The Group will closely monitor the global situation, continue to grasp special investment opportunities arising from market adjustments, and make deeper countercyclical efforts in the “major non-performing asset” segment. Leveraging CCFAMC’s extensive experience and synergy strengths in non-performing asset management, the Group will further focus on key areas such as central and state-owned enterprises, material reorganisation and relief of distressed enterprises, among others, in vigorous development of countercyclical asset management businesses. The Group will explore light-asset operating models to cultivate core competitiveness for sustainable development. In addition, the Group aims to strengthen the synergy between securities business and corporate finance business to deliver more comprehensive financial services, further building its differentiated operational edge.

FINANCIAL REVIEW

Capital Structure

As at 31 December 2025, the total number of issued Shares of the Company (with par value of HK\$0.001 each) was 8,709,586,011. Total equity was approximately HK\$-3,434,810,000 (31 December 2024: approximately HK\$-2,273,381,000).

Liquidity and Financial Resources

The Group regularly reviews its liquidity position and actively manages liquidity and financial resources according to the changes in economic environment and business development needs. As at 31 December 2025, the Group had total cash and deposits with banks amounting to approximately HK\$442,019,000 as compared to approximately HK\$413,122,000 as at 31 December 2024, excluding client funds that were kept in separate designated bank accounts of approximately HK\$121,286,000 (31 December 2024: approximately HK\$99,518,000) and deposits in other financial institutions of approximately HK\$6,335,000 (31 December 2024: approximately HK\$17,344,000). As at 31 December 2025, 77% (31 December 2024: 69%) of the Group’s cash and deposits with banks was denominated in HKD or RMB. The Group’s gearing ratio as at 31 December 2025 was 277% as compared to 186% as at 31 December 2024, being calculated as borrowings over the Group’s total assets. The change in gearing was attributable to a decrease in the Group’s total assets and the growth in the scale of related-party borrowing in the Year.

As at 31 December 2025, the Group obtained shareholder loans and perpetual capital bonds from CFAIH in an aggregate principal amount of approximately US\$1,311,173,000 (equivalent to approximately HK\$10,203,461,000) (31 December 2024: approximately US\$1,279,173,000 (equivalent to approximately HK\$9,929,603,000)) to support the business of the Group. The proceeds had been applied in full to working capital immediately after closing. The Shareholder loans were subject to interest at fixed annual interest rates ranging from 5.797% to 6.86% (31 December 2024: annual rates of 5.797% to 6.86%) and were repayable within four to five years from the end of the Year (31 December 2024: in one to five years from the end of the year).

The Group had a RMB loan of RMB6,000,000 (equivalent to approximately HK\$6,643,000) from a fellow subsidiary (31 December 2024: RMB loan of RMB26,000,000 (equivalent to approximately HK\$28,077,000)). Such loan was subject to interest at a fixed annual interest rate of 5.43% (31 December 2024: annual rates of 5.43%) and were repayable in two years from the end of the Year (31 December 2024: In one to four years from the end of the year).

As at 31 December 2025 and 31 December 2024, the Group did not utilise bank credit facilities.

As at 31 December 2025, the Group had undrawn bank credit facilities of HK\$100,000,000 (31 December 2024: HK\$100,000,000), providing the Group with additional liquidity as and when required.

Taking into account the financial resources and banking and other financing available to the Group, including but not limited to internally generated cashflow, cash on hand and bank balances, and external loans, the Group anticipates sufficient working capital for its present requirements for at least the next 12 months.

For the subsidiaries licensed by the Securities and Futures Commission of Hong Kong, the Group ensures each of the subsidiaries maintains a flexible liquidity level adequate to support the level of regulated activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the Year, all the licensed subsidiaries complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules.

Charges on Group Assets

As at 31 December 2025, the Group had not pledged any time deposits (31 December 2024: nil) to secure the bank loan facilities of the Group.

Foreign Exchange Exposures

The Group's principal operations in Hong Kong and overseas are transacted and recorded in Hong Kong dollars and United States dollars, while principal operations in the PRC are transacted and recorded in Renminbi. The Group is not exposed to material foreign exchange risks because the Hong Kong dollar is pegged to the United States dollar. Other foreign currency exposure is relatively insignificant when compared to our total assets and liabilities. As such, we consider our foreign exchange risk exposure manageable and the Group will closely monitor such risk exposure from time to time.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2025 and 31 December 2024.

Significant Securities Investment

As at 31 December 2025, the Group held the following significant investments:

- (1) 37,800 ordinary shares (31 December 2024: 1,836,000 ordinary share) and secured convertible bonds issued by ARTA TechFin Corporation Limited (formerly known as Freeman FinTech Corporation Limited) ("**Freeman**"), at a cost of HK\$3,213,000 and HK\$388,932,000 (31 December 2024: HK\$7,803,000 and HK\$402,630,000), respectively. The completion of the company's shares consolidation for every 20 originally issued and unissued ordinary shares consolidating into one consolidated share took place on 29 July 2025. Subsequently, 54,000 consolidated shares were sold by the end of December 2025. Freeman is a company incorporated in Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 279), and is principally engaged in financial businesses. The shares held by the Group represents 0.01% (31 December 2024: 0.01%) of the equity interests in Freeman. The respective fair values of the shares and convertible bonds as at 31 December 2025 were HK\$22,000 and HK\$272,252,000 (31 December 2024: HK\$66,000 and HK\$428,415,000 respectively), which aggregated to approximately 18.5% (31 December 2024: 20.7%) of the total assets of the Group. During the Year, the Group's realised and unrealised fair value loss on the shares of Freeman was HK\$8,000 and unrealised fair value loss on convertible bond was HK\$142,465,000.

This significant investment is not primarily held for trading. It was acquired by a subsidiary of XinKong Investment Stock Corporation Limited, a wholly-owned subsidiary of the Company, in August 2017 as a long-term investment and subsequently has been in default since April 2019. Freeman had previously entered into the temporary liquidation procedure and a provisional liquidator was appointed. The provisional liquidator conducted an external price inquiry and bidding over the pledge of the project and the unrealised fair value gain reflected the recent quotation price. The sales of the relevant collateral are still in process.

- (2) 20,000 Class B participating shares of All-Stars SP IV A Limited (the “**Fund I**”, a corporate fund), at a cost of US\$20,000,000. The total assets of the Fund I as at 31 December 2025 were approximately US\$81.92 million, with the principal asset being the equity interest in TUJIA.COM INTERNATIONAL (“**TUJIA**”), where the Class B participating shares held by the Group were mainly used for the investment in Tranche E preference shares of TUJIA. Fund I has been expired at the end of September 2024 and 5,342,255 of Tranche E preference shares of TUJIA were distributed to the Group in specie upon its expiry. The fair value of such shares as at 31 December 2025 was US\$18,936,000 (31 December 2024: US\$18,936,000), representing approximately 10% of the total asset value of the Group (31 December 2024: 7.12%). Subsequently, the Group intends to seek exit opportunities through equity transfer or disposal in secondary market.
- (3) Shares of All-Stars Investment Private Partners Fund L.P. (the “**Fund II**”, a corporate fund), at a cost of US\$30,000,000, representing 6.7077% of the Fund II. The total assets of the Fund II as at 31 December 2025 were approximately US\$389 million, with the principal asset being the equity interest in certain listed or unlisted companies. The fair value of the investment as at 31 December 2025 was US\$20,861,000 (31 December 2024: US\$17,833,657), representing approximately 11.05% of the total asset value of the Group (31 December 2024: 6.70%).

The Fund II is currently in normal operation. Subsequently, the Group intends to seek exit opportunities through equity transfer or disposal in secondary market.

PROVISION FOR IMPAIRMENT

I. Overall provision for impairment

The Group recognised impairment provision for expected credit loss for financial assets at amortised cost and financial assets at fair value through other comprehensive income in accordance with the expected credit loss model under Hong Kong Financial Reporting Standards 9 Financial Instruments (“**HKFRS 9**”). Provision for allowance of expected credit losses is computed as the difference between the carrying value of the relevant financial instruments and the present values of estimated future cashflows, taking into account the expected future credit losses of the financial instruments.

The Group has established credit risk policies and processes for impairment assessment in accordance with HKFRS 9, including the establishment and approval of models, as well as the choice and application of assumptions and major inputs. In accordance with HKFRS 9, the Group has distinguished the stages of impairment provision for the relevant items into stage one (no significant increase in credit risk since initial recognition), stage two (significant increase in credit risk) or stage three (credit-impaired) based on the impact of credit risk on the items held.

The major credit risk and expected credit loss faced by the Group is mainly derived from other loans and debt instruments, advances to customers in margin financing, financial assets at fair value through other comprehensive income, finance lease receivables, accounts receivable and amount due from an associate. The Group closely monitors its other loans and debt instruments, advances to customers in margin financing, financial assets at fair value through other comprehensive income, finance lease receivables, accounts receivable and amount due from an associate on an ongoing basis. In the event of the lender or issuer of the item being subject to overdue risks, decline in the value of collaterals or negative public opinion in the market, the Group will conduct thorough investigation of the causes of the events and adopt remedial measures such as timely liaison with the customers for early repayment and obtaining supplementary collaterals.

At the same time, the Group verifies the stage of impairment provision of the item according to information on the item known or collected. For stage one or stage two, the impairment amount of expected credit loss is determined through the expected credit loss model. For the stage three, impairment is charged according to individual assessment.

The Group recorded net impairment loss of approximately HK\$234 million for the Year, which was mainly attributable to the following:

- advances to customers in margin financing under a margin financing project was converted into other loans and debt instruments through a deed of assignment on 29 June 2020. The expected recoverable amount of the project as at 31 December 2025 showed a significant decline compared to that of as at 31 December 2024, resulting in the recognition of approximately HK\$150 million in net impairment provisions during the Year.
- a fixed income project of the Group entered into in 2017 for investment purpose, the main collaterals of which are equity interests of a project company holding shops in Lijiang, the PRC. The project was classified as stage three in mid-2021 due to consecutive overdue situations. In view of the elevated retail vacancy rate, the decline in the valuation of the net asset value of the equity interest of the project companies held as underlying collateral during the Year and the consecutive overdue situations of the project, the management expected low chances to recover the project and made full impairment provision for the interest accrued out of prudence. The provision for impairment of the project made during the Year amounted to approximately HK\$54 million in total.

The Group will assess the expected credit risk and impairment of financial assets at amortised cost and financial assets at fair value through other comprehensive income on an ongoing basis and communicate with the management and/or Board on the impact of the relevant events on specific items and on the financial reporting of the Group in a timely manner in accordance with internal procedures. At the same time, the Group will actively take further actions to collect unrecovered amounts and endeavour to recover amounts from customers through various means, including legal actions and disposal of collaterals.

II. Provision for Impairment of publicly issued bonds

The Group invests in public offer bonds from time to time according to the investment strategy. These bonds are classified as financial assets at fair value through other comprehensive income based on the Business Model Test in accordance with the applicable accounting standard. Fair values of these bonds are measured at their open market prices. In respect of the estimation of expected credit losses (“ECL”) on these publicly-issued bonds, these bonds are classified into stage 1, 2 or 3 in accordance with the applicable accounting standard. Risk management department of the Company verifies and assesses the information obtained by frontline business teams during its risk management process, and determine the stages of these bonds for provision of ECL.

The amount of impairment of publicly-issued bonds under stage 1 and stage 2 is determined from the ECL model, which is developed by the Company with the assistance of an independent third-party consultant, whereby impairment is measured based on factors such as probability of default, loss given default and exposure at default. Having considered that fair values of these bonds adequately indicate the recoverable value, the amount of impairment of stage 3 publicly-issued bonds is determined according to the market values of these bonds as at the end of the Year.

The Group made impairment provision of HK\$2,558,000 for its financial assets at fair value through other comprehensive income for the Year. The investment cost of the main bond products involved is approximately HK\$225 million and the carrying amount is approximately HK\$70 million, with the remaining maturity mainly ranging from one to five years, and the coupon rate ranging from 0% to 9% per annum.

III. Finance lease business and provision for impairment

Impairment of finance lease projects

As one of the financial services of the Group, the Company provides finance lease services in Chinese Mainland through its indirectly wholly-owned subsidiary Zhongju (Shenzhen) Business Consulting Co., Ltd. (formerly known as “Zhongju (Shenzhen) Financial Leasing Co., Ltd.”) (“**Zhongju**”).

Zhongju provides finance lease services mainly by way of sale-and-leaseback model, under which the lessee assigns the ownership of its properties to the lessor and leases the properties back from the lessor for financing purposes. In practice, a lessee enters into a sale-and-purchase agreement with Zhongju regarding property(ies) for lease to sell such property(ies). Zhongju pays the consideration to acquire the ownership of such property(ies) and then enters into a sale-and-leaseback agreement with and lease the property(ies) back to the lessee, whereby the lessee pays rental installments to Zhongju according to the payment schedule.

As at 31 December 2025, Zhongju held two outstanding finance lease projects which were initially invested back in 2017. The total carrying amount of these projects as at the same date was approximately HK\$7,894,000. These projects accounted for approximately 0.54% of the Group's total assets.

These projects are entered with various counterparties who operate in car leasing, and wire processing. In terms of geographical distribution, the finance lease business is conducted in the Chinese Mainland, including Guangdong Province, etc.

Based on the Group's current business development strategy and positioning, the Group's finance lease business will be mainly focusing on the recovery of the outstanding finance lease projects. The Group does not have any current plan for investment in new finance lease projects in the near future.

Principal terms of finance lease projects

Depending on credit conditions of customers and the quality of collaterals, duration of finance lease projects ranges from three to five years while interest rates of finance lease projects range from 6.8% per annum to 9.75% per annum under the respective sale-and-leases back agreements. Margin deposit at a range from 2% to 7% of the financing amount is received. Customers shall repay the outstanding balance on a quarterly basis.

In addition, finance lease receivables are pledged with electrical cable production equipment and passenger vehicles, as well as equity interests in companies.

Credit risk assessment and impairment provision for finance lease projects

All the finance lease projects held by the Group are classified as stage 3 for ECL estimation. During the Year, the Company performed analysis and forecast on the realisable values of the leased assets and the pledged collaterals for each finance lease project. A total provision for impairment of approximately HK\$204,000 was made in respect of the two projects for the Year.

Key internal control measures

The Group adopts the following internal control measures when conducting the finance lease business:

1. *Daily risk monitoring*

Zhongju conducts ongoing daily tracking and monitoring of the risks associated with invested projects. In the event of any delay in lease payments or breach of other contract terms by the debtors, the alert signal will be activated and Zhongju will report the conditions to the risk department and management of the Company in a timely manner, and adopt active measures to alleviate the situation. Meanwhile, Zhongju also closely monitors the operating and financial conditions of lessees and guarantors, requests them to furnish their financial statements each quarter, conducts regular on-site visits and inspection of the debtors to obtain information on their business updates, conditions of the leased assets and project progress, and conduct ongoing assessment and analysis of risks associated with them.

2. *Actions taken in respect of overdue projects*

In the event of overdue loans, Zhongju will issue a loan call demand note to the debtor and maintain close liaison with the debtor and report the latest progress to the Company's risk management department and the management in a timely manner, striving to identify appropriate solutions in a short period of time to eliminate or reduce the project risk. If both parties are unable to reach a settlement before a specified deadline and the risk cannot be alleviated, the Company will resort to a variety of means such as litigation, transfer of credit exposures and introduction of investors to undergo debt restructuring, among others, depending on the current risk conditions of the project. In respect of finance lease projects which are on stage 3, the Company has taken actions to collect payments and will endeavour to exit from the project through the aforementioned means.

3. *Management and decision-making process*

The Company manages its finance lease projects in accordance with the project management requirements for creditor right projects. The Company's Risk Management Department assesses the impairment of financial assets at amortised cost and financial assets at fair value through other comprehensive income on an ongoing basis and communicates with the management and/or the Board in a timely manner in respect of the impact of relevant events on specific projects and on the Group's financial report. The Company's management reviews on a quarterly basis the results of risk classification for credit right projects, including finance lease projects, as examined by the Risk Management Department and reviews on a half-yearly basis the impairment provision amount of such projects as examined by the Risk Management Department, and makes recommendations to the Board accordingly. At the Board level, the Audit Committee convenes a regular meeting each quarter to discuss with the management on the impaired projects and review the structure review or audit results reported by the external auditor in respect of material accounting matters during the interim review and year-end audit; the Risk Management Committee convenes meetings on a half-yearly basis to receive reports on the development of the Company's risk management organisation structure and systems, key projects risk updates and impairment provisions and make recommendations for improvement, and supervises the ongoing improvement of the Group's risk and internal control mechanism. The Board is responsible for the final approval of the Company's interim and annual financial reports.

Employee and Remuneration Policy

As at 31 December 2025, the Group employed a total of 10 employees (31 December 2024: 12 employees). The Group's recruitment and promotion of staff is based on consideration of multiple factors, such as job nature, market rates, relevant experience, individual merits and development potential of the employees, and may also offer discretionary incentives and bonuses by reference to indicators such as market conditions, the Company's business performance, individual staff performance and fulfilment of compliance requirements, among others, with a view to rewarding staff contributions as well as retaining and incentivising employees with superior competence and extensive experience to continue to deliver value for the Group. Other benefits offered by the Group include, but are not limited to, group medical plans and group life insurance, etc.

The Group is committed to providing employees with an environment conducive to ongoing learning and development. The Group arranges both internal and external multi-dimensional training and development plans for staff and offer incentives for off-duty studies to eligible staff to encourage voluntary learning and ongoing self-improvement to cope with the requirements of the Group's business development.

CHANGES IN DIRECTORS AND INFORMATION OF DIRECTORS

Changes in information of Directors of the Company subsequent to the date of the 2025 interim report of the Company are as follows:

- Mr. Guan Huanfei, an independent non-executive Director, ceased to be an independent non-executive director of Guangdong-Hong Kong Greater Bay Area Holdings Limited (stock code: 1396) with effect from 9 January 2026.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 22 June 2026 (the “AGM”). A notice convening the AGM will be published in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 16 June 2026 to Monday, 22 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 15 June 2026.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Year.

CORPORATE GOVERNANCE PRACTICES

Throughout the Year, the Company has adopted the principles and has complied with all the applicable and implemented code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

Details of the Company’s corporate governance practices during the Year will be included in the Corporate Governance Report set out in the Company’s annual report 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. In response to specific enquiry made by the Company, all Directors confirmed that they have fully complied with the required standards as set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The Audit Committee under the Board currently comprises three independent non-executive Directors, namely Mr. Hung Ka Hai Clement, Mr. Ma Lishan and Mr. Guan Huanfei. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system, financial statements and internal control procedures. The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management and discussed auditing, internal control and financial reporting matters. The annual results and audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee.

SCOPE OF WORK OF BDO LIMITED

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

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group has no significant events subsequent to the end of the Year up to the date of this announcement.

PUBLICATION OF ANNUAL REPORT

The 2025 annual report of the Company will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.xinkong.com.hk) in due course by the end of April 2026.

By order of the Board
XinKong International Capital Holdings Limited
Wang Cheng
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises Mr. Wang Cheng and Ms. Tan Jieyu as non-executive Directors, Mr. Chen Qinghua and Mr. Lu Xinzheng as executive Directors, and Mr. Hung Ka Hai Clement, Mr. Ma Lishan and Mr. Guan Huanfei as independent non-executive Directors.