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website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY OF RESULTS

The board (the “Board”) of directors (the “Directors”) of Greater China Financial Holdings Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	75,257	19,017
Cost of sales		(49,477)	(176)
Gross profit		25,780	18,841
Other income, gains and losses	6	10,508	10,843
Administrative and other operating expenses		(44,876)	(49,914)
Reversal of (provision for) financial guarantees, net		9,535	(80,507)
Reversal of (provision for) impairment loss on financial assets, net	7	898	(70,138)
Impairment loss on right-of-use assets		–	(163)
Finance costs	8	(31,867)	(39,742)
Loss before taxation		(30,022)	(210,780)
Income tax expense	9	(22)	–
Loss for the year	10	(30,044)	(210,780)

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Other comprehensive (expense) income, net of tax			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income		1,070	(37)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(33,764)	20,897
Release of translation reserve upon deregistration of subsidiaries		—	(2)
		<u> </u>	<u> </u>
Other comprehensive (expense) income for the year		(32,694)	20,858
		<u> </u>	<u> </u>
Total comprehensive expense for the year		(62,738)	(189,922)
		<u> </u>	<u> </u>
Loss for the year attributable to:			
Owners of the Company		(26,315)	(113,482)
Non-controlling interests		(3,729)	(97,298)
		<u> </u>	<u> </u>
		(30,044)	(210,780)
		<u> </u>	<u> </u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(54,527)	(99,737)
Non-controlling interests		(8,211)	(90,185)
		<u> </u>	<u> </u>
		(62,738)	(189,922)
		<u> </u>	<u> </u>
		HK cents	<i>HK cents</i>
Loss per share			
	<i>12</i>		
Basic		(0.34)	(1.46)
		<u> </u>	<u> </u>
Diluted		(0.34)	(1.46)
		<u> </u>	<u> </u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		37,658	41,346
Right-of-use assets		17,831	17,486
Goodwill		4,044	–
Intangible assets		–	–
Interests in associates		–	–
Financial assets at fair value through other comprehensive income		1,549	479
		<u>61,082</u>	<u>59,311</u>
Current assets			
Inventories		3,722	–
Loans and interest receivables		452	433
Trade and other receivables	13	44,906	15,452
Prepayments and deposits		8,610	8,137
Loans to and interest receivables from a non-controlling interest		–	–
Loans to and interest receivables from an associate		–	–
Financial assets at fair value through profit or loss		–	–
Restricted bank deposits		6,455	6,198
Pledged bank deposit		–	5,321
Cash and cash equivalents		24,193	30,072
		<u>88,338</u>	<u>65,613</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities			
Trade payables, other payables, deposits received and accruals	<i>14</i>	169,839	122,539
Contract liabilities		170	170
Lease liabilities		406	81
Liabilities from financial guarantees	<i>15</i>	515,646	504,010
Amount due to non-controlling interests		11,615	10,974
Borrowings	<i>16</i>	239,816	222,138
Convertible notes		33,000	22,271
Tax payables		21,971	21,064
		<u>992,463</u>	<u>903,247</u>
Net current liabilities		<u>(904,125)</u>	<u>(837,634)</u>
Total assets less current liabilities		<u>(843,043)</u>	<u>(778,323)</u>
Non-current liabilities			
Lease liabilities		–	46
Borrowings	<i>16</i>	61,384	63,320
		<u>61,384</u>	<u>63,366</u>
Net liabilities		<u><u>(904,427)</u></u>	<u><u>(841,689)</u></u>
Capital and reserve			
Share capital	<i>17</i>	7,776	7,776
Reserves		(796,664)	(742,137)
Deficit attributable to owners of the Company		(788,888)	(734,361)
Non-controlling interests		(115,539)	(107,328)
Total deficit		<u><u>(904,427)</u></u>	<u><u>(841,689)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the Company's registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda, and its principal place of business in Hong Kong is 28/F., Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong.

The Group is principally engaged in investment holding, industrial property development, general trading of consumable goods, insurance brokerage, asset management, manufacturing and sales, and trading of tobacco flavours, and loan financing operation including loan financing, financial guarantee services, loan referral and consultancy services.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance 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 in issue but not yet effective

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance (“CO”).

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

For financial instruments which are transacted at fair value and a valuation technique that unobservable input is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Unavailability of Books and Records of certain subsidiaries of the Group relating to the loan financing business in Beijing

Since July 2024, the Directors had been unable to obtain access to the accounting books and records, and supporting documents, including bank statements and operational data (the “Books and Records”) in spite of repeated attempts made to the local management (the “Responsible Persons”) of nine indirect wholly-owned subsidiaries of the Company (collectively as the “Subject Subsidiaries”) who were responsible for preparing and maintaining the Books and Records of the Subject Subsidiaries due to certain remuneration-related disputes (the “Disputes”).

The Subject Subsidiaries are 北京晟峰惠諮詢有限公司 and its three wholly-owned subsidiaries, namely 北京新和峰控股有限公司 (formerly known as “北京決策尚諾科技集團有限公司”), 北京安家世行融資擔保有限公司 and 霍爾果斯安家世行企業諮詢服務有限公司; and 北京鼎匯通美諮詢有限公司 and its four wholly-owned subsidiaries, namely, 北京信諾微資產管理有限公司, 深圳信諾微商業保理有限公司, 霍爾果斯諾微企業管理諮詢有限公司 and 霍爾果斯諾立企業諮詢服務有限公司.

The Subject Subsidiaries were principally engaged in provision of financial guarantee, loan referral and consultancy services in Beijing. The issue arose due to remuneration-related disputes, resulting in noncooperation from the local management and staff and, consequently, their failure to provide the Books and Records to the Group.

For the period from July 2024 to August 2025, the Directors had actively communicated with the Responsible Persons to resolve the Disputes, such as by confirming the relevant employee list, the amount overdue, and their respective bank accounts etc. In September 2025, the Group settled the overdue wages but still, the Responsible Persons neither provided any Books and Records of the Subject Subsidiaries to the Group, nor did they respond to the Directors. On 25 September 2025, the Directors had decided to initiate legal actions towards the Responsible Persons and all relevant parties, with the assistance of the legal advisor.

In October 2025, the Responsible Persons were removed from the authorised representative and the director position of 北京晟峰惠諮詢有限公司 and 北京新和峰控股有限公司, the new official corporate seals were re-obtained.

Up to the date of approval of these consolidated financial statements, in light of the above, the Directors were still unable to access the Books and Records of the Subject Subsidiaries. The Directors considered that, with the assistance of the legal advisor, they had made their best efforts and all reasonable steps were taken.

In view of the unavailability of Books and Records and for the purposes of the preparation of the Group’s consolidated financial statements for the year ended 31 December 2024 and 2025, the Directors considered there was no material transaction of the Subject Subsidiaries for the period from 1 July 2024 to 31 December 2025, and have determined to consolidate the Subject Subsidiaries based primarily on the carrying amounts of their assets and liabilities and their results and cash flows as at and for the six months’ period ended 30 June 2024. (“Relevant Records”).

Going concern basis

The Group reported a loss attributable to the owners of the Company of HK\$26,315,000 for the year ended 31 December 2025. The Group's current liabilities exceeded its current assets by HK\$904,125,000 and its total liabilities exceeded its total assets by HK\$904,427,000 as at 31 December 2025. As at the same date, the Group's cash and cash equivalents amounted to HK\$24,193,000, while the Group recorded current borrowing of approximately HK\$239,816,000, accrued interest payables of approximately HK\$55,572,000 and convertible notes of approximately HK\$33,000,000. The Group has provided guarantees to some of its customers' lenders in relation to these customers' facilities and loans amounting to approximately HK\$515,646,000 were defaulted and provision for litigation liabilities amounting to approximately HK\$7,927,000. Besides, current borrowings of approximately HK\$212,762,000 as at 31 December 2025 were defaulted as at the date of these consolidated financial statements.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The directors of the Company, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern.

For the assessment of going concern, the directors of the Company are of the opinion that the Group would be able to continue as going concern as the Group has sufficient financial resources to support the operation of the Group in the foreseeable future, after taking into consideration of the followings:

- (i) The Company completed a disposal of the subsidiaries which engaged in the provision of financial guarantee business in Beijing in March 2026. As at 31 December 2025, the net liabilities of this disposal group amounting to approximately HK\$453,679,000. Further detail of the disposal refers to the announcement of the Company dated 27 February 2026;
- (ii) The Company entered into a disposal agreement in March 2026 with an independent third party of the Group to dispose of the subsidiaries which engaged in the provision of loan financing, micro-financing, loan referral and consultancy business, and advertising services in Ningbo. As at 31 December 2025, the net liabilities of this disposal group amounting to approximately HK\$363,824,000. Further detail of the disposal refers to the announcement of the Company dated 25 March 2026;
- (iii) The Company entered into a deed of settlement with the holder of the convertible note, who is also an executive director and shareholder of the Company, in March 2026 regarding the waiver of the convertible note. As at 31 December 2025, the convertible note payable amounted to approximately HK\$33,000,000;
- (iv) The Group is actively negotiating corporate restructuring proposals, including a potential loan capitalisation in aggregate amount of approximately HK\$45,635,000, in which two of the lenders were the shareholder of the Company and the spouse of the substantial shareholder of the Company. The directors of the Company are of the opinion that these lenders will accept the corporate restructuring proposal and will not demand immediate repayment of their debts;
- (v) The Group is taking measures to expand into to new business streams and strengthen cost control with the aim of attaining positive operating cash flow; and
- (vi) One of the substantial shareholders has agreed to provide adequate funds for the Group to meet its liabilities as they fall due.

In view of the above measures, the directors of the Company are of the opinion that the Group will have adequate funds to meet its liabilities as and when they fall due for at least twelve months from the date of this report.

Should the Group fail to achieve the plans and measures, as mentioned in Note 3 to the consolidated financial statements, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

4. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers:		
Warehouse storage income	15,957	14,669
Manufacturing and sales of tobacco flavours	25,931	–
Trading of tobacco flavours	31,690	–
Income from loan referral and consultancy services	–	555
Commission income from insurance brokerage	951	3,125
Commission income from asset management	64	19
Advertising income	664	649
	<hr/>	<hr/>
Total revenue	<u>75,257</u>	<u>19,017</u>

5. SEGMENT INFORMATION

The Group's operations are organised into manufacturing and sales, and trading of tobacco flavours, asset management, insurance brokerage, loan financing, industrial property development business and general trading. Information reported to the chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group is organised into the following reportable and operating segments:

- Industrial property development segment represents the operation of a warehouse in the PRC.
- General trading segment includes trading of consumable goods in the PRC.
- Tobacco flavours segment represents manufacturing and sales, and trading of tobacco flavours, fragrances and supplementary materials in the PRC.
- Loan financing segment represents the provision of financial guarantee, loan financing, micro-financing, loan referral and consultancy services in Hong Kong, Ningbo and Beijing.
- Others segment represents the operation of provision of asset management services and provision of insurance brokerage and agency service in Hong Kong and advertising service in the PRC.

Segment revenues and results

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

For the year ended 31 December 2025

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Tobacco flavours <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE FROM CUSTOMERS						
Recognised at a point in time	-	-	57,621	-	664	58,285
Recognised over time	15,957	-	-	-	1,015	16,972
	<u>15,957</u>	<u>-</u>	<u>57,621</u>	<u>-</u>	<u>1,679</u>	<u>75,257</u>
SEGMENT RESULTS	<u>(499)</u>	<u>(923)</u>	<u>5,327</u>	<u>(7,426)</u>	<u>(996)</u>	<u>(4,517)</u>
Unallocated corporate income						7,490
Unallocated corporate expenses						(20,327)
Unallocated finance costs						(12,668)
Loss before taxation						(30,022)
Income tax expense						(22)
Loss for the year						<u>(30,044)</u>

For the year ended 31 December 2024

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE FROM CUSTOMERS					
Recognised at a point in time	–	–	–	3,144	3,144
Recognised over time	14,669	–	555	649	15,873
	<u>14,669</u>	<u>–</u>	<u>555</u>	<u>3,793</u>	<u>19,017</u>
SEGMENT RESULTS	<u>(3,480)</u>	<u>(1,080)</u>	<u>(169,212)</u>	<u>(475)</u>	<u>(174,247)</u>
Reversal of impairment loss on loans to and interest receivables from a non-controlling interest	–	–	16	–	16
Impairment loss on other receivables	–	(5,247)	–	–	(5,247)
Unallocated corporate income					709
Unallocated corporate expenses					(20,575)
Unallocated finance costs					(18,971)
Net fair value change on financial assets at fair value through profit or loss					7,698
Impairment loss on right-of-use assets					<u>(163)</u>
Loss before taxation					(210,780)
Income tax expense					<u>–</u>
Loss for the year					<u><u>(210,780)</u></u>

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 31 December 2025

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Tobacco flavours <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	56,741	9,404	34,684	33,971	4,475	139,275
Goodwill	-	-	4,044	-	-	4,044
Loans to and interest receivables from a non-controlling interest	-	-	-	-	-	-
Unallocated cash and cash equivalents						1,635
Unallocated other receivables, prepayments and deposits						2,917
Unallocated financial assets at fair value through other comprehensive income						1,549
Consolidated total assets						<u>149,420</u>
LIABILITIES						
Segment liabilities	71,486	11,196	33,205	840,524	3,811	960,222
Unallocated other payables						9,110
Unallocated borrowings						39,900
Unallocated amount due to non-controlling interests						11,615
Unallocated convertible notes						33,000
Consolidated total liabilities						<u>1,053,847</u>

At 31 December 2024

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS					
Segment assets	63,100	14,076	31,973	9,382	118,531
Loans to and interest receivables from a non-controlling interest	–	–	–	–	–
Unallocated cash and cash equivalents					4,590
Unallocated other receivables, prepayments and deposits					1,324
Unallocated financial assets at fair value through other comprehensive income					479
					<u>124,924</u>
Consolidated total assets					<u>124,924</u>
LIABILITIES					
Segment liabilities	69,923	16,147	802,088	4,661	892,819
Unallocated other payables					6,149
Unallocated borrowings					34,400
Unallocated amount due to non-controlling interests					10,974
Unallocated convertible notes					22,271
					<u>966,613</u>
Consolidated total liabilities					<u>966,613</u>

6. OTHER INCOME, GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net fair value change on financial assets at fair value through profit or loss	–	7,698
Interest income from:		
Bank deposits	566	80
Other receivables	–	1,027
Gain on disposal of subsidiaries (<i>Note 19</i>)	1,435	–
Loss on disposal/write-off of property, plant and equipment	(492)	(1,153)
Loss on de-registration of subsidiaries	(10)	(19)
Net foreign exchange loss	(30)	(14)
Service fee income	3,701	6,090
Bad debt recovered	5,991	–
Provision for litigation liabilities	(1,288)	(2,986)
Sundry income	635	120
	<u>10,508</u>	<u>10,843</u>

7. REVERSAL OF (PROVISION FOR) IMPAIRMENT LOSS ON FINANCIAL ASSETS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Reversal of (provision for) impairment loss recognised on:		
– Trade receivables and other receivables	(34)	(33,055)
– Loans and interests receivables	–	(34,600)
– Other deposits	–	(7)
– Loans to and interest receivables from a non-controlling interest	–	16
– Amounts due from associates	932	(2,492)
	<u>898</u>	<u>(70,138)</u>

Note:

The impairment assessment by the directors of the Company is based on historical observed default rates and forward-looking information that is available without undue cost or effort as well as the fair value of the collaterals pledged by the customers which is consistent with last year.

8. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Effective interest on convertible notes	10,729	17,333
Interest on lease liabilities	28	14
Interest on bank loans	3,926	4,033
Interest on other loans	17,184	18,362
	<u>31,867</u>	<u>39,742</u>

9. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax PRC		
Enterprise Income Tax	22	–
	<u>22</u>	<u>–</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made as the Group's subsidiaries in Hong Kong have no estimated assessable profits for the years ended 31 December 2025 and 2024.

PRC Enterprise Income Tax ("EIT") is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiaries of the Group with certain tax concession, based on existing legislation, interpretation and practice in respect thereof.

Under the Law of the PRC on Enterprises Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group's PRC subsidiaries is 25% for both years.

10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging the following items:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration		
– audit services	1,250	1,250
– other services	370	370
Agency fee expenses	1,289	2,419
Commission expenses	749	2,490
Cost of inventories recognised as an expense	48,962	–
Depreciation of right-of-use assets	859	686
Depreciation of property, plant and equipment	7,565	7,729
	<hr/>	<hr/>
Total depreciation	8,424	8,415
Less: Capitalised in inventories	(135)	–
	<hr/>	<hr/>
	8,289	8,415
	<hr/> <hr/>	<hr/> <hr/>
Repair and maintenance expenses	178	2,370
Research and development expenses	1,706	–
Lease payments for short-term lease not included in the measurement of lease liabilities	1,461	1,348
Staff costs (including directors' emoluments)	19,735	22,641
Less: Capitalised in inventories	(19)	–
	<hr/>	<hr/>
	19,716	22,641
	<hr/> <hr/>	<hr/> <hr/>

11. DIVIDENDS

No dividend was paid, declared or proposed during the years ended 31 December 2025 and 2024. The Directors did not recommend the payment of dividend in respect of the year ended 31 December 2025 (2024: Nil).

12. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(26,315)</u>	<u>(113,482)</u>
	'000	'000
Number of shares		
Number of ordinary shares	<u>7,775,857</u>	<u>7,775,857</u>

The calculation of basic loss per share is based on the loss attributable to owners of the Company, and the number of shares of approximately 7,775,857,000 ordinary shares (2024: 7,775,857,000) in issue.

Diluted loss per share for the year ended 31 December 2024 did not assume the exercise of the outstanding share options since the exercise price of those share options was higher than the average market price of the shares during the outstanding period. No adjustment was made in calculating diluted loss per share for the year ended 31 December 2024 as conversion of convertible notes would result in a decrease in loss per share. Accordingly, the diluted loss per share is the same as the basic loss per share.

The Group has no dilutive potential ordinary shares in issue during the current year and, therefore, the diluted loss per share is the same as basic loss per share for the year ended 31 December 2025 presented.

13. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables arising from:		
Loan referral and consultancy services (<i>Note a</i>)	25	24
Financial guarantee services (<i>Note b</i>)	15,592	14,963
Insurance brokerage commission (<i>Note c</i>)	–	85
Asset management fee (<i>Note d</i>)	–	5
Manufacturing and sales of tobacco flavours (<i>Note e</i>)	10,956	–
Trading of tobacco flavours (<i>Note e</i>)	15,349	–
	<u>41,922</u>	<u>15,077</u>
Less: Impairment allowance	(14,464)	(13,872)
	<u>27,458</u>	<u>1,205</u>
Other receivables	52,335	141,492
Less: Impairment allowance	(34,887)	(127,245)
	<u>17,448</u>	<u>14,247</u>
Total trade and other receivables	<u><u>44,906</u></u>	<u><u>15,452</u></u>

Notes:

- (a) The normal settlement terms of trade receivables from loan referral and consultancy services are within 30 days upon the contractual obligation being performed.
- (b) The normal settlement terms of trade receivables from financial guarantee services are mainly within 60 to 90 days upon the contractual obligation being performed.
- (c) The normal settlement terms of trade receivables from product issuers arising from the provision of insurance brokerage commission are mainly within 45 to 60 days upon the execution of the insurance policies and/or receipt of statements from product issuers.
- (d) Credit terms granted to customers of asset management fee are within 30 days or as mutually agreed between the parties.
- (e) The normal settlement terms of trade receivables from manufacturing and sales, and trading of tobacco flavours are mainly within 60 to 180 days upon the contractual obligation being performed.

An ageing analysis of the remaining balance of trade receivables net of impairment allowance as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	21,871	86
31 – 60 days	4,425	–
61 – 90 days	–	–
Over 90 days	1,162	1,119
	<u>27,458</u>	<u>1,205</u>

The movements in impairment allowance on trade receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at beginning of the year	13,872	29,728
Amounts recognised during the year	10	1,403
Amounts written-off during the year	–	(16,284)
Exchange realignment	582	(975)
	<u>14,464</u>	<u>13,872</u>

The movements in impairment allowance on other receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at beginning of the year	127,245	191,916
Amounts derecognised during the year	(96,891)	(92,720)
Amounts recognised during the year	24	33,167
Amounts reversed during the year	–	(1,515)
Exchange realignment	4,509	(3,603)
	<u>34,887</u>	<u>127,245</u>

14. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables from:		
Insurance brokerage service (<i>Note a</i>)	–	501
Loan referral service (<i>Note b</i>)	18,153	17,416
Manufacturing and sale, and trading of tobacco flavours (<i>Note c</i>)	25,187	–
	<hr/>	<hr/>
Total trade payables	43,340	17,917
	<hr/>	<hr/>
Accrued expenses	10,241	10,339
Interest payables	55,572	36,619
Deposits received (<i>Note d</i>)	27,109	26,766
Other payables	33,577	30,898
	<hr/>	<hr/>
Total other payables, deposits received and accruals	126,499	104,622
	<hr/>	<hr/>
Total trade payables, other payables, deposits received and accruals	<u>169,839</u>	<u>122,539</u>

Notes:

- (a) Trade payables arising from the provision of insurance brokerage services are generally settled within 30 days to 120 days upon receipt of payments from product issuers.

An ageing analysis of trade payables from insurance brokerage service at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	–	333
31 – 60 days	–	30
61 – 90 days	–	5
Over 90 days	–	133
	<hr/>	<hr/>
	<u>–</u>	<u>501</u>

- (b) Trade payables arising from loan referral service are generally settled within 5 days upon receipt of invoice.

An ageing analysis of trade payables for loan referral service at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Over 90 days	<u>18,153</u>	<u>17,416</u>

- (c) Trade payables arising from the manufacturing and sales, and trading of tobacco flavours business are generally settled within 0 days to 180 days upon receipt of invoice.

An ageing analysis of trade payables from manufacturing and sales, and trading of tobacco flavours business at the end of the reporting period is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 30 days	18,663	–
31 – 60 days	3,868	–
61 – 90 days	–	–
Over 90 days	<u>2,656</u>	–
	<u>25,187</u>	<u>–</u>

- (d) Included in deposits received was an amount of HK\$21,905,000 (2024: HK\$21,022,000) which was received from customers as collateral security for the financial guarantees issued by the Group. These deposits will be refunded to the customers upon expiry of the corresponding guarantee contracts. According to the contracts, these deposits are expected to be settled within one year.

15. LIABILITIES FROM FINANCIAL GUARANTEES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Deferred income	8	7
Provision for guarantee losses	<u>515,638</u>	<u>504,003</u>
	<u>515,646</u>	<u>504,010</u>

Movement analysis of provision for guarantee losses:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at beginning of the year	504,003	437,861
Amount recognised during the year	3,297	80,507
Amounts reversed during the year	(12,832)	–
Exchange realignment	21,170	(14,365)
	<u>515,638</u>	<u>504,003</u>

16. BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank loans (<i>Note a</i>)	77,068	83,008
Other loans (<i>Note b</i>)	224,132	202,450
	<u>301,200</u>	<u>285,458</u>

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follow:

	Bank loans		Other loans	
	31/12/2025 <i>HK\$'000</i>	31/12/2024 <i>HK\$'000</i>	31/12/2025 <i>HK\$'000</i>	31/12/2024 <i>HK\$'000</i>
Carrying amount repayable:				
Within one year	17,188	19,688	222,628	202,450
More than one year, but not exceeding two years	8,871	5,853	1,504	–
More than two years, but not more than five years	36,594	30,330	–	–
More than five years	14,415	27,137	–	–
	<u>77,068</u>	<u>83,008</u>	<u>224,132</u>	<u>202,450</u>
Less: Amounts shown under current liabilities	(17,188)	(19,688)	(222,628)	(202,450)
	<u>59,880</u>	<u>63,320</u>	<u>1,504</u>	<u>–</u>

Notes:

- (a) The bank loans of RMB69,500,000 (approximately HK\$77,068,000) (2024: RMB78,000,000 (approximately HK\$83,008,000)) are secured by the pledge of the Group's assets as set out in note 20 to the consolidated financial statements which carry effective interest rates ranging from 3.65 % to 4.95% (2024: 3.65% to 4.95%) per annum.
- (b) The other loans bear interest at fixed rates ranging from 6 % to 12 % (2024: 6% to 12%) per annum and are unsecured.

17. SHARE CAPITAL

	Number of shares '000	Nominal amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.001 each At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>2,109,890,000</u>	<u>2,109,890</u>
Preference shares of HK\$0.001 each At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>110,000</u>	<u>110</u>
Issued and fully paid:		
Ordinary shares of HK\$0.001 each At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>7,775,857</u>	<u>7,776</u>

18. ACQUISITION OF SUBSIDIARIES

On 25 April 2025, Elite Sonic Limited (“Elite Sonic”), a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ms. Ge Lijun, the spouse of Mr. Liu Kequan, who is the chairman, an executive director and also a substantial shareholder of the Company, pursuant to which, Elite Sonic agreed to acquire 100% equity interest of FortuneYi Investment Limited, which through its subsidiaries are principally engaged in manufacturing and sale, and trading of tobacco flavours, in the PRC, at a cash consideration of HK\$1. The acquisition was completed on 6 June 2025 and has been accounted for as acquisition of business using the acquisition method. Details of the acquisition are set out in the Group’s announcement dated 25 April 2025.

Assets and liabilities recognised at the date of acquisition

	HK\$'000
Property, plant and equipment	1,743
Right-of-use assets	482
Inventories	16,874
Other receivables	1,518
Prepayment and deposit	431
Bank balance and cash	220
Trade and other payables	(18,197)
Lease liabilities	(540)
Borrowings	<u>(6,574)</u>
Net identifiable liabilities at fair value	(4,043)
Goodwill arising from the acquisition	<u>4,044</u>
Total fair value consideration	<u><u>1</u></u>

19. DISPOSAL OF SUBSIDIARIES

- (A) On 11 June 2025, Summit Yield Developments Limited (“Summit Yield”), a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party of the Group, pursuant to which, Summit Yield agreed to dispose of its 100% equity interest in Sunny Creation Asia Pacific Limited, and its subsidiary, Greater China Wealth & Risk Management Limited, which were principally engaged in the insurance brokerage business in Hong Kong, for a cash consideration of HK\$200,000. The disposal was completed on 11 June 2025.

The respective amounts of assets and liabilities of the subsidiaries disposed of on the relevant dates of disposal were as follows:

Analysis of assets and liabilities over which control was lost:

	<i>HK\$'000</i>
Account receivables	34
Prepayment and deposit	102
Account payables	(33)
Accruals	(99)
	<hr/>
Net assets disposed of	4
	<hr/>
Gain on disposal of a subsidiary:	
Consideration receivable	200
Net assets disposed of	(4)
	<hr/>
Gain on disposal	<u>196</u>

The subsidiaries disposed of during the year did not contribute significantly to the revenue, operating results or cash flows of the Group for the year ended 31 December 2025.

- (B) On 23 December 2025, Rocket Wealth Investments Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with the director of Spruce Light Assets Management Company Limited (“Spruce Light”) and two independent third parties of the Group, pursuant to the agreement, Rocket Wealth Investments Limited agreed to dispose of its 100% equity interest in Ulmus Creek Holdings Limited, and its subsidiary, Spruce Light, which were principally engaged in asset management business in Hong Kong, for a cash consideration of HK\$550,000. The disposal was completed on 29 December 2025.

The respective amounts of assets and liabilities of the subsidiaries disposed of on the relevant dates of disposal were as follows:

Analysis of assets and liabilities over which control was lost:

	<i>HK\$'000</i>
Account receivables	12
Prepayment and deposit	49
Other payables	(750)
	<hr/>
Net liabilities disposed of	(689)
	<hr/>
Gain on disposal of a subsidiary:	
Consideration received and receivable	550
Net liabilities disposed of	689
	<hr/>
Gain on disposal	1,239
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration received	100
	<hr/> <hr/>

The subsidiaries disposed of during the year did not contribute significantly to the revenue, operating results or cash flows of the Group for the year ended 31 December 2025.

20. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	34,882	40,650
Right-of-use assets – leasehold lands in the PRC	17,519	17,486
Bank deposit	–	5,321
	<hr/>	<hr/>
	<hr/><hr/>	<hr/> <hr/>
	52,401	63,457

21. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets or liabilities as at 31 December 2025 and 2024.

22. EVENTS AFTER THE REPORTING PERIOD

A) Completion of disposal of and incident on the loan financing business in Beijing

During the years ended 31 December 2024 and 2025, and up to the date of this announcement, despite that the Directors had actively communicated with the Responsible Persons to resolve the Disputes, or even engaged the PRC Legal Adviser to take legal actions in September 2025, the Responsible Persons did not provide any books and records and supporting documents of the Subject Subsidiaries for the loan financing business in Beijing. There was no response from the Responsible Persons nor any of the employees has been received. Further details are set out in the Company's announcement dated 12 January 2026.

On 27 February 2026, the Company entered into a sales and purchases agreement with an independent third party of the Group, pursuant to which, the Company agreed to dispose its 100% equity interest in Harmonic Edge Limited, a direct wholly owned subsidiary of the Company, including 100% equity interest in these Subject Subsidiaries, which were principally engaged in provision of financial guarantee, loan referral and consultancy services in Beijing, at a consideration of HK\$1. The disposal was completed on 20 March 2026.

B) Potential litigation

In December 2024, there were several judgements issued by the court in PRC related to a guarantee provided by an indirect wholly-owned subsidiary for external obligations concluded that the subsidiary fulfilled its guarantee obligations and was required to settle an amount equivalent to approximately HK\$776,000. During the year, additional provision for financial guarantees of an amount equivalent to approximately HK\$203,000 was recognised and the Group had recognised the provision for guarantee obligations in full in relation to guarantees issued. Up to the date of this announcement, the amount has not been settled.

In November and December 2024, there were several judgements issued by the court in PRC related an indirect wholly-owned subsidiary for the settlement of operating expenses and concluded that the subsidiary was required to settle the payables of equivalent to approximately HK\$6,630,000. During the year, additional provision of litigation liabilities of an amount equivalent to approximately HK\$1,288,000 were recognised in other income, gains and losses and the Group had recognised the amount in full in other payables of this announcement. Up to the date of this announcement, the amount has not been settled.

C) Potential litigation of one of the financial guarantee projects

In November 2025, an indirect wholly-owned subsidiary of the Company, Wangxin Xin Yunlian Financial Information Service (Zhejiang) Company Limited, received a legal letter claiming that the subsidiary failed to fulfill guarantee obligations as at 31 December 2024, in an aggregate amount of RMB31.6 million. The Group had recognised a provision for guarantee obligations amounting to RMB31.6 million in relation to guarantees issued by subsidiaries for external obligations. The directors of the Company consider the ultimate outcome and timing of any settlement remain uncertain and could be material to future periods.

D) Disposal of subsidiaries in Ningbo

On 25 March 2026, Good Set Investments Limited (“Good Set”), a direct wholly-owned subsidiary of the Company, entered into a sales and purchases agreement with an independent third party, pursuant to which, the Company agreed to dispose of its 100% equity interest in Xin Yunlian Investment Limited and its subsidiaries (“Xin Yunlian Group”), which were principally engaged in provision of loan financing business (including provision of financial guarantee, loan financing, micro-financing, loan referral and, financial consultancy services) and advertising business in Ningbo, at a consideration of HK\$1. Up to the date of the announcement, the disposal has not been completed.

E) Settlement of convertible notes and receivable from non-fulfillment of profit guarantees

On 30 March 2026, Good Set, a direct wholly-owned subsidiary of the Company, entered into a deed of settlement with the vendor in relation to the acquisition of Xin Yunlian Group (the “Vendor”) and the Vendor guarantor, pursuant to which, the Company, Good Set, Vendor and the Vendor guarantor agreed to mutually set-off and release from their respective rights and obligation in relation to the outstanding balance of convertible notes, receivable from non-fulfillment of profit guarantees and any other claims or compensation, and each parties agreed this deed was operated as a full and final settlement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The below sections set out an extract of the report by the auditor of the Company (the “Auditor”), regarding the consolidated financial statements of the Group for the year ended 31 December 2025.

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Limitation of scope – unavailability of Books and Records of certain subsidiaries of the Group relating to the loan financing business in Beijing

As disclosed in note 3 to the consolidated financial statements, since July 2024, the directors of the Company (the “Directors”) have been unable to obtain access to the accounting books and records, and supporting documents, including bank statements and operational data (the “Books and Records”) in spite of repeated attempts made to the local management (the “Responsible Persons”) of nine indirect wholly-owned subsidiaries of the Company (collectively as the “Subject Subsidiaries”) who were responsible for preparing and maintaining the Books and Records due to certain remuneration-related disputes (the “Disputes”).

The Subject Subsidiaries are 北京晟峰惠諮詢有限公司 and its three wholly-owned subsidiaries, namely 北京新和峰控股有限公司, 北京安家世行融資擔保有限公司 and 霍爾果斯安家世行企業諮詢服務有限公司; and 北京鼎匯通美諮詢有限公司 and its four wholly-owned subsidiaries, namely, 北京信諾微資產管理有限公司, 深圳信諾微商業保理有限公司, 霍爾果斯諾微企業管理諮詢有限公司 and 霍爾果斯諾立企業諮詢服務有限公司.

The Subject Subsidiaries were principally engaged in provision of financial guarantee, loan referral and consultancy services in Beijing. The issue arose due to remuneration-related disputes, resulting in non-cooperation from the local management and staff and, consequently, their failure to provide the Books and Records to the Group.

As disclosed in note 3 of the consolidated financial statements, the Directors have consolidated the financial information of the Subject Subsidiaries, based primarily on the carrying amounts of their assets and liabilities and their results and cash flows as at and for the six months’ period ended 30 June 2024. In the opinion of the Directors, it appears to them that there were no material transactions of the Subject Subsidiaries for the period from 1 July 2024 to 31 December 2025.

However, we are unable to access the Books and Records of the Subject Subsidiaries for purpose of the audit of these consolidated financial statements. As a result, we are therefore unable to obtain sufficient appropriate audit evidence to satisfy ourselves that each of the financial statement line items of the carrying amounts of assets and liabilities of the Subject Subsidiaries included in the Group's consolidated statement of financial position as at 31 December 2024 and 2025, and their results and cash flows included and presented in the Group's consolidated statement of profit or loss and other comprehensive income and the Group's consolidated statement of cash flows for the years ended 31 December 2024 and 2025 were free of material misstatements.

Consequently, we are also unable to determine whether any adjustments might be necessary in respect of recorded or unrecorded transactions that constitute elements making up the consolidated statement financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years ended 31 December 2024 and 2025.

There were no satisfactory alternative audit procedures that we could perform to obtain sufficient audit evidence regarding the matters as set out above. As a result of these matters, we were unable to determine whether any adjustments might have been found to be necessary in respect of the items as set out above and the related disclosures in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The accompanying consolidated financial statements for the year ended 31 December 2025 have been prepared assuming that the Group will continue as a going concern. We draw attention to note 3 to the consolidated financial statements, the Group reported a loss attributable to the owners of the Company of HK\$26,315,000 for the year ended 31 December 2025. The Group's current liabilities exceeded its current assets by HK\$904,125,000 and its total liabilities exceeded its total assets by HK\$904,427,000 as at 31 December 2025. As at the same date, the Group's cash and cash equivalents amounted to HK\$24,193,000, while the Group recorded current borrowings of approximately HK\$239,816,000, accrued interest payables of approximately HK\$55,572,000 and convertible notes of approximately HK\$33,000,000. The Group has provided guarantees to some of its customers' lenders in relation to these customers' facilities and loans amounting to approximately HK\$515,646,000 were defaulted and provision for litigation liabilities amounting to approximately HK\$7,927,000. Besides, current borrowings of approximately HK\$212,762,000 as at 31 December 2025 were in default as at the date of this report. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As explained in the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis. The directors of the Company, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our audit opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group is principally engaged in investment holding, industrial property development, manufacturing and sale, and trading of flavours and fragrances, tobacco flavours and relevant supplementary materials and general trading of consumable goods. The segment revenue and results of the Group for the year ended 31 December 2025 (“FY2025”) are stated in the table below:

	For the year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment Revenue from:		
Industrial property development	15,957	14,669
General trading	–	–
Tobacco flavours	57,621	–
Loan financing	–	555
Others	1,679	3,793
	<u>75,257</u>	<u>19,017</u>
Segment Profit/(loss) from:		
Industrial property development	(499)	(3,480)
General trading	(923)	(1,080)
Tobacco flavours	5,327	–
Loan financing	(7,426)	(169,212)
Others	(996)	(475)
	<u>(4,517)</u>	<u>(174,247)</u>

Industrial Property Development

Revenue from this segment principally represents warehouse storage income generated from the Group's Taicang warehouse. The warehouse comprises six units with a total area of approximately 49,000 square meters. During FY2025, the Group continued to focus on maximising occupancy and improving the operating efficiency of the warehouse. Revenue from the warehouse operation recorded an increase of HK\$1,288,000 from approximately HK\$14,669,000 for the year ended 31 December 2024 ("FY2024") to approximately HK\$15,957,000 for FY2025, resulting in a segment loss of approximately HK\$499,000 for FY2025 (FY2024: segment loss of approximately HK\$3,480,000). Rigorous cost management lowered overheads and operating expenditures, contributing materially to the reduction in segment loss. The average occupancy rate of the Group's warehouse during FY2025 was 100% and was primarily used as storage of small electric and non-electric power tools. The favourable location of the Taicang warehouse and sustained customer relationships underpinned a high occupancy rate in FY2025, and management expects these competitive advantages to maintain occupancy at near-full levels in 2026.

General Trading

During FY2025, the general trading segment recorded a loss of approximately HK\$923,000 (FY2024: segment loss of approximately HK\$1,080,000) despite generating no revenue, as operations remained suspended owing to the protracted weakness in the PRC liquor market. The Company continued to monitor market developments and evaluate potential trading opportunities, maintaining readiness to recommence operations once adequate funding is secured and market conditions become supportive. Management will continue to exercise prudent cost control and pursue profitable liquor-trading opportunities when market dynamics turn favourable.

Tobacco Flavours

The Group strategically leveraged its existing network and deep-rooted connections within the tobacco industry to pursue revenue diversification through an entry into the upstream tobacco-related sector. On 25 April 2025, the Group entered into a sale and purchase agreement to acquire 100% of the equity interest in FortuneYi Investment Limited ("FortuneYi"). FortuneYi, through its subsidiaries, primarily engages in the production, sale, and trading of fragrances, tobacco flavours, and supplementary materials within the PRC. Following the completion of the acquisition on 6 June 2025, FortuneYi became an indirect wholly-owned subsidiary, with its financial results consolidated into the Group's financial statements from that date forward.

FortuneYi operates via a wholly foreign-owned enterprise located in Ningbo, which maintains established production facilities boasting an estimated annual capacity of 2,500 tonnes. Having commenced operations in mid-2024, FortuneYi's indirect subsidiary has already successfully secured procurement contracts and sales orders from various PRC tobacco manufacturers. The Group is now well-positioned to expand these operations, specifically aiming to capitalise on evolving market dynamics and the shifting regulatory landscape within the PRC's tobacco manufacturing industry.

The PRC remains one of the world's most significant tobacco markets, accounting for approximately one-third of the global total of cigarette consumers. According to data released by the National Bureau of Statistics of China, the domestic tobacco products industry generated revenue of approximately RMB1,374.4 billion in 2024, with national cigarette production reaching approximately 2,465.5 billion sticks in the same year. Within this massive market, China National Tobacco Corporation (中國煙草總公司) ("CNTC") maintains a near monopoly and has grown into the largest cigarette corporation in the world. Notably, in 2023, CNTC realised revenue six times the net revenue of Philip Morris International, the second-largest tobacco company globally. This immense market scale underscores a sustained and substantial demand for tobacco flavours and related products.

The Group is highly confident in its ability to penetrate and excel within this specialised niche market by leveraging its technical expertise and deep-rooted industry relationships. With over 470 proprietary flavour formulas already developed and 104 products designated as Reference Products by major manufacturers, the Group has demonstrated a proven capability to meet sophisticated industry standards. Furthermore, the Group's ability to navigate recent regulatory shifts involving 《YQ 52-2024 煙草製品許可使用的添加劑名單》 and 《YQ 53-2024 煙草製品臨時使用的添加劑名單》 positions it with a distinct competitive advantage in future tenders. The Group's management believes these strengths, combined with the Group's ISO-certified quality standards, provide a robust foundation for capturing significant market share and driving strong future revenue growth.

Looking ahead, management is highly optimistic about the Group's prospects and expects strong revenue growth. The immediate growth strategy focuses on scaling production capacity utilisation, expanding the customer base, and strengthening R&D to support new product development. Domestically, the Group will enhance technical capability, combined with in-depth understanding of each manufacturer's unique requirements, positions the Group strongly for the future tender participation. Internationally, the Group intends to target foreign manufacturers with specialised solutions tailored to global preferences. Through these initiatives, the Group is confident in its ability to deliver flavour solutions that meet stringent quality standards while driving long-term value.

The revenue and segment profit of tobacco flavours segment for FY2025 was approximately HK\$57,621,000 and HK\$5,327,000 respectively.

Loan Financing

No revenue was generated from the segment for FY2025 (FY2024: approximately HK\$555,000), while the segment recorded a loss of approximately HK\$7,426,000 (FY2024: segment loss of approximately HK\$169,212,000).

The performance of the Group's loan financing business has been adversely affected by the economic conditions and operating environment in the PRC in recent years. The Group has recorded losses from its loan financing operations since 2019. The prolonged impact of the pandemic on borrowers' financial positions and creditworthiness has weakened customers' revenue levels and constrained their repayment capabilities. In particular, the loan financing portfolio in Ningbo has been primarily concentrated in tobacco retailers, a segment more susceptible to deteriorating economic conditions. This concentration resulted in a significant increase in defaults in both loan principal and interest repayments, leading to elevated credit risk for the Group.

In order to minimise further losses, the Group suspended the extension of new loans and the provision of loan referral services to new borrowers in 2023 and focused its efforts on recovering outstanding loan principal and interest receivables. In 2024, the loan financing businesses in Ningbo and Beijing ceased operations entirely. Revenue generated from the remaining loan financing activities was insufficient to sustain their operating cost base. These businesses continued to incur losses and remained highly leveraged, resulting in a net liabilities position.

Given that the loan financing businesses were no longer profitable, lacked a viable plan for future development, and remained reliant on financial support from the Group to meet their operating expenses and liabilities, the Board concluded that further capital injection or continued financial support would not be commercially justified. Accordingly, the Board resolved to dispose of the loan financing businesses in Ningbo and Beijing in early 2026. Details of the disposals are set out in the section "Significant Events After the Reporting Period" below.

Others

Others segment represents the operation of provision of asset management services, provision of insurance brokerage and agency services in Hong Kong and advertising services in the PRC. Revenue from the segment for FY2025 was approximately HK\$1,679,000 (FY2024: approximately HK\$3,793,000), resulting in a segment loss of approximately HK\$996,000 (FY2024: segment loss of approximately HK\$475,000). In 2025, the Group completed the disposal of its asset management business and its insurance brokerage and agency business in Hong Kong. Furthermore, the advertising services business in the PRC was disposed together with the loan financing business in Ningbo in 2026. Details of the disposal are set out in the section "Significant Events After the Reporting Period" below.

FINANCIAL REVIEW

Administrative and Other Operating Expenses

Administrative expenses primarily comprise office utilities and administrative costs, legal and professional fees, employee expenses, and depreciation and amortisation charges. Other operating expenses mainly relate to the operating costs of the Group's industrial property development and tobacco flavours business segments. Administrative and other operating expenses amounted to approximately HK\$44,876,000 for FY2025, representing a decrease of approximately 10.1% or HK\$5,038,000 compared with FY2024. The reduction was mainly attributable to the cessation of the Group's loan financing operations in the PRC and the Group's ongoing efforts to optimise and reform business processes to enhance cost efficiency. The management will continue to implement stringent cost control measures to maintain administrative and other operating expenses at a reasonable and sustainable level.

Finance Costs

Finance costs for FY2025 primarily comprised the effective interest expenses on the convertible bonds issued in connection with the 2020 acquisition of Xin Yunlian Investment Limited and its subsidiaries and associate, as well as interest expenses on bank borrowings and other loans. Total finance costs decreased from approximately HK\$39,742,000 in FY2024 to approximately HK\$31,867,000 in FY2025, representing a decrease of about 19.8% or HK\$7,875,000. The decrease in finance costs for FY2025 was mainly due to the decrease in the effective interest expenses on the convertible bonds.

Liquidity and Financial Resources

The Group continued to adopt the policy of prudence in managing its working capital. During FY2025, the operations of the Group were primarily financed by internally generated cash flow from operating activities and external financing. As at 31 December 2025, the shareholder's deficit attributable to owners of the Company amounted to approximately HK\$788,888,000 (31 December 2024: approximately HK\$734,361,000), and net current liabilities of the Group amounted to approximately HK\$904,125,000 (31 December 2024: approximately HK\$837,634,000). As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately HK\$24,193,000 (31 December 2024: approximately HK\$30,072,000), which were principally denominated in Hong Kong dollars and Renminbi. Current ratio as at 31 December 2025 was 0.09 (31 December 2024: 0.07).

As at 31 December 2025, the Group's total borrowings amounted to approximately HK\$301,200,000 (31 December 2024: approximately HK\$285,458,000) of which approximately HK\$239,816,000 is repayable within 1 year, approximately HK\$10,375,000 is repayable between 1 to 2 years, approximately HK\$36,594,000 is repayable between 2 to 5 years, and approximately HK\$14,415,000 is repayable over 5 years. As at 31 December 2025, the Group's borrowings denominated in Hong Kong dollars and Renminbi were approximately HK\$39,900,000 and HK\$261,300,000, respectively, and bear fixed interest rates from 3.65% to 12.00%. The gearing ratio of the Group as at 31 December 2025 and 2024 (defined as total borrowings over the Group's total equity) are not applicable due to the capital deficiency of the Group.

There was no capital commitment in respect of the acquisition and construction of property, plant and equipment as at 31 December 2025 (31 December 2024: nil). During FY2025, the Group's exposure to foreign currency risk remained minimal as its core business operations, including cash balances, bank borrowings, revenue, and operating expenses, were primarily denominated in Hong Kong dollars ("HKD") and Renminbi ("RMB"). Accordingly, the Group did not utilize any financial instruments or derivative products for hedging purposes during FY2025.

Fund Investments

The Group's investment portfolio is classified as financial assets at fair value through other comprehensive income ("FVTOCI") according to HKFRS 9. The relevant carrying amounts of the financial assets at FVTOCI as at 31 December 2025 was approximately HK\$1,549,000 (31 December 2024: approximately HK\$479,000). The Group's investment portfolio includes listed equity in Hong Kong.

Guarantee Issued

Financial guarantees are contracts that oblige the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for any losses incurred by the holder due to the failure of a specified debtor to make payment when due in accordance with the terms of a debt instrument. As at 31 December 2025, the liabilities from financial guarantees of the Group was approximately HK\$515,638,000 (31 December 2024: HK\$504,003,000).

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2025 (31 December 2024: nil) other than the financial guarantees issued as disclosed above.

Capital Structure

As at 31 December 2025, the total number of issued ordinary shares of the Company with a par value of HK\$0.001 each (the "Share(s)") was 7,775,857,621 (31 December 2024: 7,775,857,621).

Charges on Assets

The Group's warehouse located in Taicang, the PRC with the following carrying amount had been pledged to secure general banking facilities granted to the Group:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	34,882	40,650
Right-of-use assets	17,519	17,486
Bank deposit	–	5,321
	<u>52,401</u>	<u>63,457</u>

Save for the above, the Group did not charge other assets to secure its borrowings as at 31 December 2025 and 31 December 2024.

Foreign currency exposure

The Directors confirm that the Group's existing operations are primarily conducted in the PRC and Hong Kong, with receipts and payments currently denominated in Renminbi ("RMB") or Hong Kong dollars ("HKD"). Accordingly, the Group did not experience material foreign exchange exposure during the years ended 31 December 2024 and 2025, and no derivative financial instruments were utilized for hedging purposes during these periods.

Looking ahead to 2026, the Group's foreign exchange risk profile is expected to evolve with the commencement of its new tobacco flavours operations. Under this new business segment, international trading activities will result in a portion of the Group's sales and receipts being denominated in United States dollars ("USD"), while operating payments and settlements are expected to remain primarily in HKD or RMB.

In view of this expanding USD-denominated revenue stream alongside our existing RMB-based activities, Management will maintain a vigilant watch over the tripartite exchange rate relationship between the HKD, USD, and RMB. While the HKD-USD peg provides a degree of stability for USD receipts, the Group recognizes the inherent risks associated with RMB fluctuations and potential currency mismatches between revenue and costs. Management will continuously assess the impact on the Group's financial position and will consider implementing appropriate hedging strategies should the need arise to mitigate material exposure and protect international trading margins.

Significant investments, material acquisitions and disposals

During FY2025, the Group entered into agreements to dispose of its insurance brokerage and asset management businesses in Hong Kong as part of its ongoing efforts to streamline and refocus its business operations. In addition, subsequent to the reporting period, the Group entered into agreements to dispose the loan financing businesses in Beijing and Ningbo, as further detailed in the section “Significant Events After the Reporting Period” below.

Future plans for material investments or capital assets

As at 31 December 2025, the Group did not have any immediate plans for material investments or capital asset acquisitions.

Employees and Remuneration Policies

As at 31 December 2025, the Group had 54 employees (31 December 2024: 67 employees). Remuneration is determined by reference to their respective qualifications and experiences and according to the prevailing industry practice. In addition to salary payments, the Group’s staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme. As required by the regulations in the PRC, the Group makes contributions to mandatory social security funds for the benefit of the Group’s employees in the PRC, including pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

DIVIDEND

The Board did not recommend the payment of any final dividend for FY2025 (FY2024: nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 27 February 2026, the Company entered into a disposal agreement with an independent third party, pursuant to which the Company agreed to dispose of its 100% equity interest in Harmonic Edge Limited, a direct wholly-owned subsidiary of the Company. The disposal also included the Group’s 100% equity interests in the relevant subsidiaries engaged in the provision of financial guarantee, loan referral and consultancy services in Beijing. The total consideration for the transaction was HK\$1. The disposal was completed on 20 March 2026.

On 25 March 2026, Good Set Investments Limited (“Good Set”), a direct wholly-owned subsidiary of the Company, entered into a disposal agreement with an independent third party, pursuant to which Good Set agreed to dispose of its 100% equity interest in Xin Yunlian Investment Limited and its subsidiaries and associate (the “Xin Yunlian Group”). The Xin Yunlian Group is principally engaged in the loan financing business (including the provision of financial guarantee, loan financing, micro-financing, loan referral and financial consultancy services) and advertising services in Ningbo. The total consideration for the transaction is HK\$1. As at the date of this announcement, the disposal has not been completed.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions (the “Code Provision(s)”) as set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as amended from time to time, except the following Code Provision: Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since 18 June 2024, the role of chief executive officer of the Company was shared among the members of the Board during the reporting period. The Board shall review this arrangement from time to time to ensure appropriate and timely action is taken to meet changing circumstances.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for FY2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

During FY2025, there was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

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”) as set out in Appendix C3 to the Listing Rules as the Company’s code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have complied with the Model Code throughout FY2025.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 September 2024 and will remain suspended until further notice.

Shareholders and potential investors of the Company should accordingly exercise caution when dealing in the securities of the Company.

By order of the Board of
Greater China Financial Holdings Limited
Liu Kequan
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Liu Kequan, Mr. Chen Zheng and Ms. Luo Ruishan as executive Directors; Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.