PineStone 鼎石

Pinestone Capital Limited
鼎石資本有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
(Stock Code 股份代號：804)

2026 INTERIM REPORT 中期業績報告

Contents

Corporate Information

Board of Directors (The "Board")

Executive Directors
Mr. Lee Chun Tung
Ms. Cheung Ka Yi
Mr. Wang Han (resigned on 30 June 2026)

Non-executive Director
Mr. Lu Weixing
Mr. Wang Han
(redesignated on 30 June 2026)
Mr. Lau Chun Hung
(resigned on 30 June 2026)
Mr. Lu Lin (resigned on 30 June 2026)

Independent Non-Executive Directors
Mr. Lau Kelly
Mr. Wong Chun Peng Stewart
* Mr. Wong Chun Yip Gavin
(appointed on 10 August 2026)
Mr. Cheng Man Pan
(resigned on 30 June 2026)
Ms. Jiang Tiancui
(resigned on 30 June 2026)

Audit Committee
*Mr. Wong Chun Yip Gavin *(Chairman)*
(appointed on 10 August 2026)
Mr. Lau Kelly
Mr. Wong Chun Peng Stewart
Mr. Cheng Man Pan
(resigned on 30 June 2026))

Nomination Committee
Mr. Lau Kelly *(Chairman)*
Mr. Wong Chun Peng Stewart
Miss Cheung Ka Yi
(appointed on 6 March 2026)
*Mr. Wong Chun Yip Gavin
(appointed on 10 August 2026)
Mr. Cheng Man Pan
(resigned on 30 June 2026)

Remuneration Committee
*Mr. Wong Chun Yip Gavin *(Chairman)*
(appointed on 10 August 2026)
Mr. Lau Kelly
Mr. Wong Chun Peng Stewart
Mr. Cheng Man Pan
(resigned on 30 June 2026)

Company Secretary
Mr. Au Kin Kee Kinson ACS ACIS

Authorised Representatives
Mr. Lee Chun Tung
Miss Cheung Ka Yi
(appointed on 30 June 2026)
Mr. Lau Chun Hung
(resigned on 30 June 2026)

Trading Stock Code
804

Registered Office
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman, KY1-1108
Cayman Islands

Headquarter and Principal Place of Business in Hong Kong
Room 1608 16/F.,
Nan Fung Tower,
88 Connaught Road Central,
Central,
Hong Kong

Hong Kong Branch Share Registrar & Transfer Office
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Banker
Bank of China (Hong Kong) Limited
2/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Auditor
BDO Limited
Certified Public Accountants
25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

Company's Website
www.pinestone.com.hk

Financial Highlights

- The Group recorded an unaudited revenue of approximately HK$13.2 million for the six months ended 30 June 2026, representing a decrease of approximately HK$3.7 million or approximately 22% as compared to approximately HK$16.9 million for the six months ended 30 June 2025. The decrease was mostly attributable to the reduced income from placing and underwriting services of approximately HK$1.7 million for the six months ended 30 June 2026 (30 June 2025: HK$8.9 million), in which the Group did not record any bond placing activities. The decrease was also partially attributable to a reduction of interest income from money lending and other lending services, which fell to approximately HK$2.3 million as at 30 June 2026 (30 June 2025: HK$4.1 million).

- The Group recorded an unaudited net profit of approximately HK$2.8 million for the six months ended 30 June 2026, as compared to an unaudited net loss of approximately HK$3.7 million for the corresponding period in 2025. The primary cause of such a turnaround net profit from net loss was attributable to a significant decrease in compliance, professional and agency fees, as well as other expenses, which together led to much lower other operating expenses of approximately HK$3.6 million for the six months ended 30 June 2026 (30 June 2025: HK$16.1 million). Besides, the Group's financial performance was also supported by an increase in margin financing services, which generated revenues totaling HK$6.9 million for the six months ended June 30, 2026 (30 June 2025: HK$3.2 million). Additionally, commission income from securities brokerage services for the six months ended June 30, 2026, more than doubled to approximately HK$1.4 million (30 June 2025: HK$0.6 million).

- The basic and diluted earnings per share for the six months ended 30 June 2026 were HK 4.28 cents (30 June 2025: loss per share HK9.91 cents).

- The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2026 (30 June 2025: nil).

Unaudited Condensed Consolidated Interim Results for the Six Months Ended 30 June 2026

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026, together with the comparative unaudited figures for the corresponding period in 2025, as follows:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
REVENUE	*4*	**13,191**	16,875
Other income	*6*	**224**	506
Commission and fee expenses		**(73)**	(1,057)
Employee benefit expenses		**(6,539)**	(3,947)
Depreciation		**(346)**	(6)
Other operating expenses		**(3,591)**	(16,055)
Finance costs	*8*	**(46)**	–
PROFIT/(LOSS) BEFORE INCOME TAX		**2,820**	(3,684)
Income tax expense	*9*	**–**	–
PROFIT/(LOSS) FOR THE PERIOD		**2,820**	(3,684)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		**–**	–
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		**2,820**	(3,684)
		HK cents	HK cents
		(Restated)	(Restated)
EARNINGS/(LOSS) PER SHARE			
Basic and diluted	*11*	**4.28**	(9.91)

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*12*	**1,380**	1,726
Intangible asset		**500**	500
Statutory deposits placed with stock exchange and clearing house		**205**	205
Investment in associates		**10,000**	10,000
Deferred tax assets		**4,524**	6,477
Prepayment and other receivables		**7,483**	7,483
		24,092	26,391
Current assets			
Trade receivables	*13*	**117,244**	88,217
Loans receivable	*14*	**22,722**	41,650
Other receivables, deposits and prepayments		**1,456**	1,496
Amount due from associates		**4**	4
Tax recoverable		**1,953**	1,953
Trust bank balances held on behalf of customers		**69,841**	7,339
Cash and bank balances		**38,191**	41,812
		251,411	182,471
Current liabilities			
Trade payables	*16*	**71,550**	6,447
Other payables and accruals		**672**	1,247
Contract liabilities	*17*	**–**	355
Lease liabilities		**733**	713
Amount due to an associate		**3,300**	3,300
		76,255	12,062
Net current assets		**175,156**	170,409
Total assets less current liabilities		**199,248**	196,800

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	**As at 30 June 2026 (Unaudited) HK$'000**	As at 31 December 2025 (Audited) HK$'000
Non-current liabilities			
Lease liabilities		**773**	1,145
Net assets		**198,475**	195,655
CAPITAL AND RESERVES			
Share capital	*18*	**24,364**	24,364
Reserves		**174,111**	171,291
Total equity		**198,475**	195,655

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share Capital HK$'000	Share Premium* HK$'000	Capital Reserves* HK$'000	Retained profits* HK$'000	Total HK$'000
Six months ended 30 June 2025 (unaudited)					
At 1 January 2025	8,121	199,993	(4,866)	(64,876)	138,372
Transactions with owners:					
– Placing #	1,624	12,669	–	–	14,293
Profit/(Loss) for the period	–	–	–	(3,685)	(3,685)
Total comprehensive income for the period	–	–	–	(3,685)	(3,685)
At 30 June 2025	9,746	212,662	(4,866)	(68,561)	148,981
Six months ended 30 June 2026 (unaudited)					
At 1 January 2026	**24,364**	**258,371**	**(4,866)**	**(82,214)**	**195,655**
Profit/(Loss) for the period	**–**	**–**	**–**	**2,820**	**2,820**
Total comprehensive income for the period	**–**	**–**	**–**	**2,820**	**2,820**
At 30 June 2026	**24,364**	**258,371**	**(4,866)**	**(79,394)**	**198,475**

* The total of these balances at the end of the reporting period represents "Reserves" in the condensed consolidated statement of financial position.

\# The Company successfully placed a total of 81,210,000 new issued shares of HK$0.020 each at the price of HK$0.176 per placing share on 13 January 2025. After deducting the placing commission and other associated costs, the net proceeds from the placement came to about HK$13.86 million. Such net proceeds were used for the Group's general operating capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash (used in)/from operating activities	**(3,282)**	(13,212)
Net cash from/(used in) investing activities	**59**	(54)
Net cash (used in)/from financing activities	**(398)**	14,294
Net (decrease)/increase in cash and cash equivalents	**(3,621)**	1,028
Cash and cash equivalents at beginning of period	**41,812**	15,929
Cash and cash equivalents at end of period	**38,191**	16,957
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	**38,191**	16,957

Notes to the Condensed Consolidated Interim Financial Statements

1. Corporate Information

Pinestone Capital Limited (the "**Company**") was incorporated as an exempted company in the Cayman Islands with limited liability. The shares of the Company were listed on the Main Board ("**Main Board**") of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Since 28 July 2025, its principal place of business has been relocated to Room 1608, 16/F., Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong.

The Group, comprising the Company and its subsidiaries, is principally engaged in provision of securities brokerage services, securities-backed lending services including margin financing and money lending services, other lending services as well as placing and underwriting services.

The Company's parent is Group Target Limited ("**Group Target**"), a limited liability company incorporated in the British Virgin Islands. In the opinion of the directors, Group Target is also the ultimate parent of the Company.

The condensed consolidated financial statements are unaudited but have been reviewed by the Audit Committee of the Company. The unaudited condensed consolidated statements were approved and authorised for issue by the directors on 28 August 2026.

Notes to the Condensed Consolidated Interim Financial Statements

2. Basis of Preparation and Accounting Policies

The condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated interim financial statements do not include all the information required for annual financial statements and thereby they should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

Save as the adoption of the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") that are first effective for the current accounting period, the accounting policies used in preparing these condensed consolidated interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2025 as described in those annual financial statements. Details of the changes in accounting policies are set out in note 3.

The unaudited condensed consolidated financial statements are prepared under the historical cost basis.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is same as the functional currency of the Company.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2025 annual financial statements.

3. New or revised HKFRS Accounting Standards

New amendments effective for periods beginning on 1 January 2026 and therefore relevant to these interim financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11

4. REVENUE

The Group is principally engaged in the provision of securities brokerage services, securities-backed lending services, other lending services as well as placing and underwriting services. Revenue from the Group's principal activities recognised during the period is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15 (*Note*)		
– Commission income from securities brokerage Services	**1,357**	580
– Income from placing and underwriting services	**1,676**	8,927
– Handling fee income	**962**	49
	3,995	9,556
Revenue from other sources		
– Interest income from margin financing services	**6,916**	3,213
– Interest income from money lending services	**2,280**	4,105
	13,191	16,874

Note: Revenue from contracts with customers derived by the Group for the six months ended June 2026 amounting to HK$3,995,000 (six months ended 30 June 2025: HK$9,556,000) is recognised at a point in time.

5. SEGMENT INFORMATION

(a) Operating segment information

The information reported to the executive Directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, is the financial information of the Group as a whole as reported under HKFRSs. Such information does not contain profit or loss information of particular product or service line or geographical area. Therefore, the executive Directors determined that the Group has only one single reportable segment, which is the provision of securities brokerage services, the securities-backed lending services as well as the placing and underwriting services. The executive Directors have allocated resources and assessed performance on an aggregated basis.

(b) Geographical segment information

The Company is an investment holding company and the principal place of the Group's operations is in Hong Kong. Accordingly, management determines that the Group is domiciled in Hong Kong.

All of the revenue from customers are derived from activities in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no geographical information is presented.

(c) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue, are set out below:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Customer I	**N/A**	N/A
Customer II	**N/A**	N/A
Customer III	**N/A**	N/A
Customer IV	**N/A**	N/A
Customer V	**N/A**	N/A

Note: N/A – Not applicable as revenue generated from the customer was less than 10% of the Group's revenue for the respective period.

For the six months ended 30 June 2026, revenue of the largest customer (i.e. Customer I) was approximately HK$1.2 million, accounting for approximately 9.2% of the total revenue of the Group of HK$13.2 million.

For the six months ended 30 June 2025, revenue of the largest customer (i.e. Customer I) was approximately HK$1.0 million, representing approximately 5.9% of the Group's revenue of HK16.9 million.

Notes to the Condensed Consolidated Interim Financial Statements

6. Other Income

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Bank interest income	**59**	246
Custodian income	**165**	260
	224	506

7. Profit Before Income Tax

The Group's profit before income tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Auditor's remuneration	**456**	379

Notes to the Condensed Consolidated Interim Financial Statements

8. Finance Costs

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on lease liabilities	**46**	–

9. Income Tax Expense

The amount of income tax expense in the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax	**–**	–

The Group is subject to Hong Kong Profits Tax. The profit tax rate for the first HK$2 million of profits of the nominated qualifying entity in the Group is subject to tax rate of 8.25% whereas profits above HK$2 million are taxed at 16.5%. The profits of entities not qualifying for the two-tiered profit tax rates regime are taxed at 16.5%.

10. Dividend

The Directors of the Company do not recommend payment of any interim dividend for the six months ended 30 June 2026 (30 June 2025: nil).

11. Earnings Per Share

The calculation of basic earnings per share is based on the following data:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings		
Profit/(loss) for the period attributable to owners of the Company	**2,820**	(3,684)

	2026	2025
	Number of Shares	Number of Shares
	(Restated)	(Restated)
	'000	'000
Weighted average number of ordinary shares		
Weighted average number of ordinary shares in issue during the period	**65,844**	37,181

The weighted average number of ordinary shares used for the purposes of calculating the basic earnings per share for both the six months ended 30 June 2026 and the six months ended 30 June 2025 are based on the weighted average number of shares in issue during the period as set out in Note 18. During the corresponding period for comparative review, the weighted average number of ordinary shares for the six months ended 30 June 2025 is restated accordingly. On 25 August 2026, the placing of 7,890,000 new shares under the general mandate granted on 5 June 2026 was completed. The weighted average number of ordinary shares for the six months ended 30 June 2026 and 30 June 2025 are restated accordingly.

Diluted earnings per share is the same as the basic earnings per share as there have been no dilutive potential ordinary shares in existence during the current period and prior period.

Notes to the Condensed Consolidated Interim Financial Statements

12. Property, Plant and Equipment

During the six months ended 30 June 2026, the Group did not incur any expenditure on acquisition of property, plant and equipment (six months ended 30 June 2025: nil).

13. Trade Receivables

	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
Trade receivables arising from securities dealing and margin financing *(note a)*		
– Margin clients *(note b)*	**131,301**	102,217
– Clearing House *(note c)*	**204**	261
	131,505	102,478
Less: Loss allowance *(note d)*	**(14,261)**	(14,261)
	117,244	88,217

13. Trade Receivables (continued)

Notes:

(a) The settlement terms of trade receivables arising from the business of securities dealing are two business days after trade date ("**T+2**").

(b) Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities for securities trading. The amount of credit facilities granted to the margin clients is determined with reference to the discounted market value of securities accepted by the Group. Margin loans due from margin clients are either current or repayable on demand for those margin clients subject to margin calls. No ageing analysis is disclosed for trade receivables from margin clients, as in the opinion of the directors, ageing analysis is not meaningful in view of the business nature of securities dealing and margin financing.

To manage the credit risk exposure, when the level of securities collateral in proportional to the outstanding loan due from the margin credit ("**collateral ratio**") has reached alarming level, the Group will demand the margin clients to deposit additional money or securities to maintain their margin accounts, or to sell their securities collateral to reduce the exposure.

Other than the above, the Group may implement other credit enhancement measures including to enter the repayment schedule for a period of normally less than one year with margin clients for settling their outstanding balances by money instalment, by depositing cash or securities in equivalent market value.

During the period of six months ended 30 June 2026, the Group had not written off any trade receivables (30 June 2025: nil).

(c) Trade receivables from clearing house, i.e. Hong Kong Securities Clearing Company Limited ("**HKSCC**"), is current which represents pending trades arising from the business of securities dealing and are normally due on "T+2" day in accordance with the requirements of Hong Kong Exchange and Clearing Limited.

Notes to the Condensed Consolidated Interim Financial Statements

13. Trade Receivables (continued)

Notes: (continued)

(d) The movements in the loss allowance for trade receivables arising from the business of securities dealing and margin financing are as follows:

	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
At 1 January	**14,261**	26,378
Impairment losses charged to profit or loss	**–**	5,536
Unwinding of discount	**–**	–
Amounts written off as uncollectible	**–**	(17,653)
Balance	**14,261**	14,261

14. Loans Receivable

	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
Loan Receivable arising from money lending	**29,729**	48,657
Less: Loan allowance	**(7,007)**	(7,007)
	22,722	41,650

Notes to the Condensed Consolidated Interim Financial Statements

14. Loans Receivable (continued)

Notes:

(i) Loans receivable include certain individual or corporate borrowers with specific terms of the loan and a borrowing period of usually up to a year. As these term loans are normally repaid in lump sum in maturity, they would not be past due during the loan period.

(ii) Loans receivable include our margin clients of the Group's securities dealing business, either (1) had entered into securities charge agreement with the Group charging certain securities or securities portfolio as collateral which were deposited in the designated custodian account maintained by the borrower; or (2) had undertaken to maintain a net assets value at a specified amount in terms of market value of securities held or cash in the designated margin account maintained by the borrower.

Loans receivable also include clients of our other money lending services who have secured charges or financial resources on other kinds of assets.

The loans receivable as at 30 June 2026 were interest-bearing at a fixed rate ranging from 12% to 34.8%.

During the period of six months ended 30 June 2026, the Group had not written off any loans receivable (30 June 2025: nil).

(iii) The movements in the loss allowance for loan receivable arising from money lending business are as follows:

	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
At 1 January	**7,007**	26,667
Impairment losses changed to profit or loss	**–**	4,444
Unwinding of discount	**–**	644
Amounts written off as uncollectable	**–**	(24,748)
Balance	**7,007**	7,007

Notes to the Condensed Consolidated Interim Financial Statements

15. Trust Bank Balances Held on behalf of Customers

In respect of the Group's business of securities dealing, the Group maintains segregated trust accounts with authorized financial institutions to hold clients' monies. The Group classifies clients' monies separately under current assets in the condensed consolidated statement of financial position and has recognized the corresponding balances due to cash and margin clients separately under trade payables on the grounds that the Group is liable for any loss or misappropriation of clients' monies and does not have a currently enforceable right to offset those payables with the deposits placed.

16. Trade Payables

	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
Trade payables arising from securities dealing:		
– Cash clients	**50,632**	4,719
– Margin clients	**20,918**	1,728
	71,550	6,447

The settlement terms of trade payables arising from the business of securities dealing are two business days after the trade date ("**T+2**"). Trade payables arising from securities trading during the "T+2" period are current whereas those which are outstanding after the "T+2" period are repayable on demand.

Margin and cash client payables as at 30 June 2026 and 31 December 2025 included balances payable to certain related parties. Further details of these balances are set out in note 21.

17. Contract Liabilities

Contract liabilities are amounts received by the Group in relation to the advisory services that are expected to be recognised as revenue in the next 12 months.

Notes to the Condensed Consolidated Interim Financial Statements

18. Share Capital

Authorised and issued shares

	Par value HK$	Number of ordinary shares	Amount HK$'000
Authorised:			
At 1 January 2024, 31 December 2024 and 30 June 2025	0.020	25,000,000,000	500,000
Share Consolidation *(note 3)*		(23,750,000,000)	–
At 31 December 2025	0.400	1,250,000,000	500,000
At 30 June 2026	0.400	1,250,000,000	500,000

	Par value HK$	Number of shares	Amount HK$'000
Issued and fully paid:			
At 1 January 2024, 31 December 2024 and 1 January 2025	0.020	406,070,100	8,121
Placing of shares *(note (1)*	0.020	81,210,000	1,624
At 30 June 2025	0.020	487,280,100	9,745
Share Consolidation *(note 2)*		(462,916,095)	–
	0.400	24,364,005	9,745
Rights Issue *(note 3)*	0.400	36,546,008	14,619
At 31 December 2025	0.400	60,910,013	24,364
At 30 June 2026	0.400	60,910,013	24,364
* At 25 August 2026 (after the reporting period)			
Placing of Shares *(note 4)*	0.400	7,890,000	3,156
	0.400	68,800,013	27,520

Notes to the Condensed Consolidated Interim Financial Statements

18. Share Capital (continued)

Authorised and issued shares (continued)

Note:

(1) On 13 January 2025, the Company successfully placed a total of 81,210,000 new issued shares, to not less than six placees at the price of HK$0.176 per placing share. The Company raised approximately HK$13.86 million after deduction of the placing commission and other related expenses. The net proceeds are used for general working capital and strengthen the financial position of the Group.

(2) On 14 August 2025, an ordinary resolution in relation to share consolidation was approved by the shareholders at an extraordinary general meeting held on the same date. Pursuant to the share consolidation, of the ratio of twenty (20)-for-one (1) consolidated shares the number of authorized shares of the Company decreased to 1,250,000,000 shares of par value of 0.40 each, of which 487,280,100 shares were consolidated into 24,365,005 shares effective from 18 August 2025.

(3) On 15 October 2025, the Company successfully issued a total of 36,546,008 shares from a rights issue on the basis of three (3) rights share for every two (2) existing shares at HK$1.66 per rights share. Total number of issued shares was increased to 60,910,013 shares. The gross and net proceeds after deduction of expenses amounted to approximately HK$60.7 million and HK$57.6 million respectively.

*(4) On 25 August 2026, the Company successfully placed a total of 7,890,000 new shares, to more than six placees at the price of HK$5.22 per placing share. The Company raised approximately HK$39.1 million after deduction of the placing commission and other related expenses. (PS: Please refer to the Events after the reporting period in the Managment Discussion and Analysis section.)

19. Commitments

Capital commitments

The Group did not have any material capital commitments as at 30 June 2026 (31 December 2025: nil).

20. Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: nil).

Notes to the Condensed Consolidated Interim Financial Statements

21. Related Party Transactions

The Group has the following significant transactions with related parties.

(a) During the reporting period of six months ended 30 June 2026, the Group did not record any securities dealing, money or other secured lending business transactions with related parties.

(b) At the end of the reporting period, the Group did not have any balances due to the directors and persons connected with directors arising from securities dealing transactions included in trade payables (note 16).

(c) **Compensation of senior management personnel**

The remuneration of directors and other members of senior management during the periods was as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries, allowances and other benefits	**4,734**	2,451
Contributions to defined contribution retirement plan	**168**	44
	5,772	2,495

Management Discussion and Analysis

Business Review

The Group is principally engaged in providing bespoke services encompassing securities brokerage, securities-backed lending services including margin financing and money lending, other secured lending and placing and underwriting services. Since the Company's successful listing by way of placing (the "**Placing**"), there has been no significant change in the business operations of the Group.

In the first half of 2026, the Hong Kong Stock Market had shown a stark performance, underperforming the major global markets like the US, Japan, Taiwan and South Korea. In fact, the Hong Kong Stock Market had a mixed, polarized performance between the traditional stocks and the IPO new entrants. The benchmark Hang Seng Index marked a decrease of approximately 11% or approximately 2,750 points from the close of 25,631 points on 30 December 2025 to close at 22,881 points on 30 June 2026. The IPO market saw its 5-year high both in terms of new listing issuers and funds being raised, helping 85 new issuers to raise HK$209.9 billion. Overall liquidity has been enhanced as a result of IPO funding and corporate activities. The average daily turnover for the first six months of 2026 was HK$283.0 billion, an increase of 18% when compared with HK$240.2 billion for the first six months of 2025. Despite the stark performance, investors have been actively in investing undervalued stocks, especially the new power technology, semiconductor or AI related companies.

Looking ahead, the Hong Kong Stock Market looks set for revaluation and provides ample opportunities for investors. However, it is likely to remain volatile and experience fluctuations due to escalating military conflicts between Iran and the U.S. over the Strait of Hormuz, persistently high oil prices related to inflation concerns, and rising interest rates to curb inflation. The Company will adopt a cautious strategy for focusing on and leveraging our services offering and prudently exploring new services for our existing and prospective clients.

During the period under review, we recognized commission income from our securities brokerage services, interest income from our securities-backed lending services, including margin financing and money lending, and other secured lending services as well as income from placing and underwriting services.

Management Discussion and Analysis

Business Review (continued)

Securities Brokerage Services

The first half of 2026 saw a satisfactory performance from our securities brokerage services. Commission income from our securities brokerage services for the six months ended 30 June 2026 was approximately HK$1.4 million, representing approximately 141% increase from HK$580,000 for the six months ended 30 June 2025. Commission income from our securities brokerage services has risen for the second consecutive year with substantial increase. The geopolitical tensions between the United States and China, as well as the military actions of the United States and Israel against Iran, have heightened fluctuations and volatility of the Hong Kong Stock Market, but the stock market has proven remarkably resilient. Trading volume improved, driven by an influx of funds pouring in triggered by the ongoing boom of the initial public offerings (IPOs). Apart from developing new clienteles, we have been focusing on reinforcing client relationship. As at 30 June 2026, the Group had 235 active securities accounts pursuant to the definition of Securities and Futures Ordinance (SFO) as compared to (31 December 2025: 201 active securities accounts). The Company is optimistic that our securities brokerage services will continue to benefit from this rising trend in the second half of 2026.

Securities-backed Lending Services

Securities-backed lending services remained our core revenue generator. During the six months ended 30 June 2026, the Group was able to achieve satisfactory results, despite the fact that the Group had mixed performance between margin financing and money lending and other secured lending services.

Interest income from securities-backed lending services rose to approximately HK$9.20 million, representing an increase of approximately HK$1.9 million or approximately 26% from HK$7.3 million recorded for the corresponding period in 2025. During the six months ended 30 June 2026, our margin financing services experienced a notable increase while money lending and other secured lending services saw a setback, mostly because two corporate borrowers had redeemed their loans which resulted in a fall of loans' interest received during the reporting period.

Management Discussion and Analysis

Business Review (continued)

Securities-backed Lending Services (continued)

(a) *Margin Financing Services*

Our margin finance services produced satisfactory results for the six months ended 30 June 2026. Interest income from margin financing services approximately doubled to about HK$6.9 million, compared to approximately HK$3.2 million for the corresponding period in 2025. Due to our clients' growing needs, there has been a noticeable growth in demand for the Group's margin finance services. During the reporting period, the Group saw a gain in both volume and turnover for our clients. During the six months ended 30 June 2026, our average monthly loan book balance of margin financing was valued at approximately HK$133.9 million, representing an increase of approximately 81% compared to a monthly average approximately HK$74.0 million for the six months ended 30 June 2025. As of 30 June 2026, our loan book balance of margin financing was valued at approximately HK$131.3 million, whereas it was valued at HK$75.2 million as of 30 June, 2025.

(b) *Money Lending and Other Secured Lending Services*

During the six months ended 30 June 2026, the Group recognised revenue of approximately HK$2.3 million from money lending and other secured lending services, representing a decrease of approximately 44% compared to approximately HK$4.1 million for the corresponding period in 2025. The decrease was owing to the fact that two corporate clients redeemed their loans, which resulted in a decline of loan interests reported for the six months ended 30 June 2026. As at 30 June 2026, the Group recorded total loans receivable of approximately HK$22.7 million as compared to HK$53.3 million as at 30 June 2025. Currently, the Group has gotten three lending loans, which were interest-bearing at a fixed rate ranging from 12.0% to 34.8%. Subject to the demand of the loans' borrowers and proven quality of the pledging assets, the Group is optimistic that there will be an increasing demand from the loan borrowers in the second half of 2026.

Management Discussion and Analysis

Business Review (continued)

Placing and Underwriting Services

During the six months ended 30 June 2026, the Group engaged in 5 placing and underwriting activities, in contrast to (14) placing activities for the six months ended 30 June 2025. Fees income of approximately HK$1.7 million was recognized for six months ended 30 June 2026 (30 June 2025: HK$8.9 million). The lack of bond placement throughout the reporting period was the cause of the significant decline. In 2026 China's Central Bank increased the scrutiny and tightened restrictions on the issuance of bonds issued by Local Government Financing Vehicles (LGFVs). It has been reported that China has further tightened restrictions on the issuance of municipal bonds in an effort to lower the risks associated with local government debt. The regulatory authorities have been more stringent and scrutinizing to the issuance of bonds. In addition, during the reporting period, our clients showed their preference interest for corporate activities or placement of stocks rather than placement of bonds. We anticipate that this preference of interest for stocks to bonds will continue in the second half of 2026. Given the Group's financial strength, the Group is well-positioned to benefit from increasing interest for initial public offerings (IPOs) and placing activities, which will consequently boost our placing services to enhance our financial performance.

Revenues of Placing and underwriting Services

HK$'000	Six months ended 30 June 2026	Six months ended 30 June 2025
Fee income from Placing and underwriting of Securities	1,676	1,040
Agency fee income from Placing of Bonds		7,887
Total income	**1,676**	**8,927**

Management Discussion and Analysis

Business Review (continued)

Profit for the period

The Group recorded an unaudited net profit of approximately HK$2.8 million for the six months ended 30 June 2026, as compared to an unaudited net loss of approximately HK$3.7 million for the six months ended 30 June 2025. The primary cause of such a turnaround net profit from net loss was attributable to a significant decrease in compliance, professional and agency fees, as well as other expenses, which together led to much lower other operating expenses of approximately HK$3.6 million for the six months ended 30 June 2026 (30 June 2025: HK$16.1 million). Besides, the Group's financial performance was also boosted by an increase in margin financing services, which generated revenues totaling HK$6.9 million for the six months ended June 30, 2026 (30 June 2025: HK$3.2 million). Additionally, commission income from securities brokerage services for the six months ended June 30, 2026, more than doubled to approximately HK$1.4 million (30 June 2025: HK$0.6 million).

Outlook

Looking ahead to the second half of 2026, the Hong Kong Stock Market seems to be poised for a mild recovery, bolstered by better corporate earnings, higher capital inflows, comparatively undervaluations with other markets, and a promising outlook for the revival of the China economy. On the other hand, geopolitical tensions around the world, directions of the interest rates and the surge of inflation rates may have detrimental influence, resulting in uncertainties and volatile fluctuations. In light of these uncertainties and fluctuations, the Group will maintain a healthy financial position along with a cautious and conservative approach in running our business. The Group will keep growing its clients, enhancing our service offerings, and prudently diversifying into other services.

Securities Brokerage Services

Complementing with our core securities brokerage services, the Company is actively progressing with the strategic upgrade of our Type 1 (Dealing in Securities) regulated activity to encompass virtual asset trading. We are currently finalizing the comprehensive business plan amendment for formal submission to the Securities and Futures Commission (SFC) to lift the traditional securities restriction from our license. Parallel to this regulatory filing, management is identifying and mapping out relationships with SFC-licensed Virtual Asset Trading Platforms (VATPs) to establish reliable omnibus account structures or executing broker arrangements. Our operational focus is heavily directed toward infrastructure integration, specifically vetting SFC-approved third-party vendors to guarantee the strict segregation of client digital assets in compliance with statutory requirements.

Management Discussion and Analysis

Outlook (continued)

Securities-backed Lending Services

Securities-backed lending continues to be our core business segment providing a significant contribution to the Group. In light of the growing demand for funding of our customers, the Group proposed a new share placement through the general mandate on 29 July 2026. The proposed Placing will consist of 12,182,002 new shares at HK$5.22 a share. If the Placement was fully completed, the estimated net proceeds would be approximately HK$60.4 million after expenses for the Company. The Company intends to use about HK$24.2 million to expand its margin financing services and approximately HK$6.0 million to allocate for its money lending and other secured lending services. The additional capital will strengthen the Group's financial resources to meet the increasing demand for securities-backed lending services. It will allow the Group to assess and offer both margin financing and money lending services for eligible and qualified clients, taking into consideration of the current market conditions and the Group's financial capabilities.

Placing and Underwriting Services

The Group has been in discussion with a few listed issuers on the possibility of participating/underwriting some corporate activities. The Company expects that there will be an increasing demand for the placing and underwriting activities in the second half of 2026.

Asset Management and Investment Advisory Services (Type 4 & 9)

The firm is actively advancing its Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities by exploring optimal structures for fund deployment and broadening our market reach. Our current focus is heavily directed toward investigating the most appropriate investment vehicles to accommodate institutional and private capital, with a particular emphasis on utilizing the Hong Kong Limited Partnership Fund (LPF) framework alongside other offshore and onshore fund structures. This initiative involves comprehensive legal and tax analysis to ensure high operational efficiency and regulatory compliance for our upcoming fund launches. Parallel to these structuring efforts, we are aggressively expanding our corporate network to scale our investment advisory services. We are actively engaging with family offices, high-net-worth individuals, and institutional partners to establish strategic distribution channels and introduce customized portfolio advisory solutions that cater to the evolving needs of the wealth management ecosystem.

Management Discussion and Analysis

Outlook (continued)

Efficiency and Cost Control

The Group will keep monitoring and implementing cost-cutting initiatives. The Group continues to assess its effectiveness in cost control and measures in the wake of professional and compliance fees, salary or compensation expenses, and agency fees. The management has reviewed the effectiveness and efficiency of cost-cutting measures in these areas.

Our stock brokerage services and money lending or other secured lending services are still vulnerable, despite the fact that the overall Hong Kong economy and the performance of the Hong Kong Stock Market have steadily improved since the pandemic. This includes facing with stiff competition from rivals and providing impairment losses from problematic borrowers.

The Group will adopt a cautious approach in navigating risks and challenges moving forward. The Group will continue to strengthen client relationships, closely monitor our operations, clients' pledging assets, our offering services, and prudently offer new services to provide synergies if such business opportunity arises.

The Group will cautiously take measures by using AI applications and implementation in order to increase the Group's competitiveness, reduce risks, improve operating efficiency and save costs.

Financial Review

Revenues

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Commission income from securities brokerage services	**1,357**	580
Income from placing and underwriting services	**1,676**	8,927
Handling fee	**962**	50
	3,995	9,557
Revenue from others sources		
– Interest income from margin financing services	**6,916**	3,213
– Interest income from money lending services	**2,280**	4,105
	13,191	16,875

Management Discussion and Analysis

Financial Review (continued)

Revenues (continued)

The Group's revenue is mainly derived from (i) commission income from securities brokerage services, (ii) interest income from securities-backed lending services, other secured lending services and (iii) placing and underwriting services.

Total revenue for the six months ended 30 June 2026 was approximately HK$13.2 million (30 June 2025: HK$16.9 million), representing a decrease of approximately HK$3.7 million or approximately 22% as compared to the same period in 2025. Such a decrease was mostly attributable to a notable decrease in placing or agency fees from bonds. For the six months ended 30 June 2025, the Group recorded agency fees from bonds of HK$7.9 million. Despite the lack of agency fees of bonds, the Group recorded 5 placing activities of stocks compared with 4 placing of stocks for the six months ended 30 June 2025.

Commission income from securities brokerage services increased by approximately 141% to approximately HK$1.4 million for the six months ended 30 June 2026 (30 June 2025: HK$580,000). Interest income from securities-backed lending services increased by approximately 26% to approximately HK$9.2 million for the six months ended 30 June 2026 (30 June 2025: HK$7.3 million). The increase was attributed to the rise in interest income from margin financing, which reached HK$6.9 million as of 30 June 2026 (30 June 2025: HK$3.2 million). The increase was partially offset by the decline in interest income from money lending services, which amounted to HK$2.3 million as of 30 June 2026 (30 June 2025: HK$4.1 million).

Employee Benefits Expenses

For the six months ended 30 June 2026, the Group recorded approximately HK$6.5 million employee benefit expenses, an increase of approximately HK$2.6 million or approximately 67% as compared to the corresponding period of 2025 (30 June 2025: HK$3.9 million). Expenses for employee benefits include director compensation, defined retirement schemes, and employees' salaries, benefits and allowances. The hiring of additional staff was the primary factor contributing to the rise in employee benefits costs during the 2026 reporting period. The Group employed 31 employees as of June 30, 2026 (30 June 2025: 21 employees).

Management Discussion and Analysis

Financial Review (continued)

Other Operating Expenses

At approximately HK$3.6 million, other operating expenses represented approximately 35% of the total expenses during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$16.1 million accounted for approximately 80%). Total operating expenses for the six months ended 30 June 2026 was approximately HK$10.1 million, compared to approximately HK$20.0 million for the six months ended 30 June 2025 (total expenses which included only employee benefit expenses and other operating expenses). The substantial decrease in other operating expenses was attributable to the decrease of compliance, professional and agency fees, as well as other operating and administrative expenses.

Income Tax Expense

No income tax expense is provided for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

Profit/(Loss) for the period

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit/(Loss) for the period	**2,820**	(3,684)
Reconciled Profit/(Loss) for the period	**2,820**	(3,684)

The Group recorded an unaudited net profit of approximately HK$2.8 million for the six months ended 30 June 2026, as compared to an unaudited net loss of approximately HK$3.7 million for the corresponding period in 2025.

Management Discussion and Analysis

Remaining Use of Proceeds from the Rights Issue following the Share Consolidation in August 2025

On 18 August 2025, the Company proposed a Rights Issue following the Share Consolidation on the basis of three (3) Rights Shares for every two (2) Consolidated shares at the subscription price of HK$1.66 per Rights Share. The Share Consolidation consisted of every twenty (20) Existing Shares in the issued and unissued share capital of the Company consolidating into one (1) Consolidated Share at par value of HK$0.40 each. Of these, 24,365,005 Consolidated Shares (fully paid or credit as such) have been issued. Following the Share Consolidation, 36,545,008 Rights Shares have been issued and allocated. The net proceeds from the Rights Issue after deducting the expense are approximately HK$57.6 million.

Set out below is the intended use and expected timeline for the use of the proceeds:

Proposed Use	Net proceeds Amount HK'000	Original expected Timeline on fully utilization of the Net proceeds By 4Q 2025 HK$'000	Actual use of the Net Proceeds for the 4Q ended 31 December 2025 HK$'000	Unutilized use of net proceeds as at 30 June 2026 HK$'000	Expected timeline on utilizing all Proceeds By 4Q 2026 HK'000
Margin Financing	35,000	35,000	50,000	Nil	N/A
Money Lending	15,000	15,000	–	Nil	N/A
Acquiring Virtual asset permit company	5,300	200	200	5,100	5,100
Working capital	2,300	2,300	2,300	Nil	N/A
Total	57,600	52,500	52,500	5,100	5,100

* *The Group still has HK$5.1 million remaining to acquire a virtual asset permit company.*

Management Discussion and Analysis

Liquidity and Financial Resources and Capital Structure

The Group financed its operations mostly by cash generated from operations.

Liquidity and Financial Resources

	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
Current assets	**251,411**	182,471
Current liabilities	**76,255**	12,062
Current ratio (times) *(Note i)*	**3.30**	15.13
Gearing ratio (times) *(Note ii)*	**0.01**	0.01

Notes:

(i) Current ratio is calculated as current assets divided by current liabilities.

(ii) Gearing ratio is calculated by lease liabilities (including current and non-current lease liabilities) over total equity.

The Group recorded a current ratio of approximately 3.30 times as at 30 June 2026 (31 December 2025: 15.13 times).

As of 30 June 2026, the Group maintained healthy cash and bank balances amounted to approximately HK$38.2 million (31 December 2025: HK$41.8 million). The Group carried lease liabilities of approximately HK$1.5 million (31 December 2025: HK$1.9 million).

As of 30 June 2026, the Group had remained at a low gearing ratio of approximately 0.01 times (31 December 2025: 0.01 times).

During the period under review, the Group's operations, capital expenditure and other capital requirements were funded by internal operations and general working capital.

The Directors are of the view that as of the date of this report, the Group's financial resources are sufficient to support and sustain its business and operations. Notwithstanding this, the Group may consider other financing activities when appropriate opportunities arise.

Management Discussion and Analysis

Foreign Currency Exposure

The Group's reporting currency is Hong Kong dollar. During the six months ended 30 June 2026, the Group's transactions were denominated in Hong Kong dollars ("**HK$**"). The Group had no material exposure to foreign currency risk.

Contingent Liabilities

As at 30 June 2026 and 31 December 2025, the Group did not have any material contingent liabilities.

Fund-Raising Activities

During the reporting period ended 30 June 2026, the Group did not have any fund-raising activities.

Events After the Reporting Period

On 29 July 2026, the Company entered into a Placing Agreement with Pinestone Securities Limited as a Placing Agent for Placing of a maximum of 12,183,002 new shares of nominal value of HK$0.40 each to not less than six independent placees under the general mandate granted on 5 June 2026 at a placing price of HK$5.22 each. The Placing Price of HK$5.22 per Placing Share represents: (i) a discount of approximately 19.94% to the closing price of HK$6.52 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 38.46% to the average closing price of approximately HK$3.77 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

The Company intend to use such net proceeds for the expansion in the provision of margin financing services, money lending services and application of virtual asset license and expansion on AI application implementation of the Group.

Management Discussion and Analysis

Events After the Reporting Period (continued)

The Placing was completed on 25 August 2026. A total of 7,890,000 out of the maximum of 12,182,002 shares new Placing Shares was successfully placed to more than six independent placees, representing approximately 11.5% of enlarged the issued share capital of the Company. The Company successfully raised approximately HK$40.2 million of gross proceeds and approximately HK$39.1 million net proceeds after deduction of expense. Total number of issued shares of the Company was increased to 68,800,013 shares.

The Company intends to apply the net proceeds from the Placing of approximately HK$39.1 million as follows:

	Intended use of net proceeds	Net Proceeds to be used	Expected timeframe
1.	Provision of margin financing	Approximately HK$15.65 million (40%)	On or before 30 June 2027
2.	Provision of money lending and other secured lending services	Approximately HK$3.90 million (10%)	On or before 30 June 2027
3.	Application of Virtual Asset License and expansion on AI application implementation	Approximately HK$15.65 million (40%)	On or before 31 December 2027
4.	General Working purpose	Approximately HK$3.90 million (10%)	On or before 31 December 2027

The Board is of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for its future development. Accordingly, the Board considers that the Placing is in the interests of the Company and the shareholders as a whole.

Significant Investments

The Group did not acquire or hold any significant investment during the period under review.

Pledge of Assets

As at 30 June 2026 and 31 December 2025, the Group did not pledge any of its assets.

Capital Commitments

As at 30 June 2026 and 31 December 2025, the Group did not have any significant capital commitments.

Other Information

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2026, the Directors and chief executives of the Company and/or any of their respective associates had the following interests or short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (which has the same meaning as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the sections headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above and "Share Option Scheme" below, at no time during the period for the six months ended 30 June 2026 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 30 June 2026, substantial shareholders (not being the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Other Information

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company (continued)

Long positions in the ordinary shares of the Company:

Name of shareholders	Capacity and nature of interest	*Note*	Total number	Approximate percentage of the total issued share capital of the Company (%)
Group Target Limited	Directly beneficially owned	*1*	5,760,000	9.46
ULTIMATE VANTAGE GROUP LIMITED	Directly beneficially owned	*2*	4,841,813	7.95

Note:

1. Group Target Limited is an investment holding company incorporated in the British Virgin Islands. which is wholly-owned by Mr. Lu Weixing. Mr. Lu Weixing is deemed to be the beneficial owner of 5,760,000 shares or approximately 9.46% of the total issued shares of 60,910,013 shares as at 30 June 2026 of the Company by virtue of the Securities and Futures Ordinance. Mr. Lu Weixing is co-chairman and a non-executive Director of the Company.

2. ULTIMATE VANTAGE GROUP LIMITED is 100% owned by Mr. Zeng Wenling, who is the sole beneficial owner of 4,841,813 shares out of the total 60,910,013 issued shares as at 30 June 2026 in the Company. ULTIMATE VANTAGE GROUP LIMITED changed its beneficial owner to Mr. Zeng Wenling on 25 April 2025. Mr. Zeng Wenling is deemed to own approximately 7.95% of the issued shares of the Company.

Save as disclosed above, the Directors and chief executives of the Company are not aware that there is any party who, as at 30 June 2026, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Other Information

Purchase, Sale or Redemption of the Listed Shares of the Company

During the period of six months ended 30 June 2026, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares (six months ended 30 June 2025: nil shares).

Employees and Remuneration Policy

As at 30 June 2026, the Group had 31 employees (31 December 2025: 25) in total. The Group's remuneration policy is based on the relevant director or member of senior management's duties, responsibilities, experiences, skills, time commitment, performance of our Group and are made with reference to those paid by comparable companies. Our employees are remunerated with monthly salaries and discretionary bonuses based on individual performance, market performance, our Group's profit as a whole and comparable market levels. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage, other allowances and benefits. The Group has hired four more employees to draw in more business with our current offerings and expand our services.

Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to (i) motivate the Eligible Participants (including employees, executives, officers and directors of the Group, and any advisors, consultants, agents, customers, and such other persons who, in the sole opinion of the board of directors, will contribute or have contributed to the Group) for the benefit of the Group; and (ii) attract and retain or otherwise, maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. The last Share Option Scheme was expired on 12 June 2025. Upon the expiration of the last Share Option Scheme, no further share option schemes were offered. As of the date of this report, no share options have been granted and there are no share options that remain outstanding under the last Share Option Scheme.

Other Information

Corporate Governance

The Company has complied with Chapter 13 of the Listing Rules, rule 13.13 to rule 13.16, neither has made any advances to affiliated parties nor to linked entities. In addition, pursuant to the Listing Rule 13.17, our major shareholder has not pledged any of the shares of the Company during the financial period under review.

During the period under review, the Company has complied with the code provisions prescribed in the establishment and implementation of the Corporate Governance Code ("**CG Code**"), set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), to ensure that the decision making processes and business operations are regulated in a proper manner. The Company will continuously review its corporate governance practices to enhance its corporate governance standards, comply with the increasingly complicated regulatory requirements, and meet with the rising expectations of the shareholders and prospective investors.

Directors' Securities Transactions

The Company has adopted in a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix 10 of the Listing Rules (the "**Required Standard of Dealings**").

Each Director has acknowledged that they complied with the Required Standard of Dealings throughout the reporting period and up to the date of this report. During such period, there have been no incidents of non-compliance that have been reported to the Company.

Other Information

Competing Interests

As at 30 June 2026, none of the Directors, substantial Shareholders and their respective associates (as defined in the Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Audit Committee

The Audit Committee has been established with written terms of reference in compliance with 3.21 of the Listing Rules and code provision D.3 of the Corporate Governance Code. The Audit Committee currently comprises a total of three members, all of whom are independent non-executive Directors. Mr. Wong Chun Yip Gavin* is a Fellow member of Hong Kong Institute of Certified Public Accountants. The other members are Mr. Lau Kelly and Mr. Wong Chun Peng Stewart respectively. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the internal control systems of the Group and the monitoring of continuing connected transactions. Pursuant to D.3.3 of the Code on Corporate Governance Practices, the Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the six months ended 30 June 2026 and confirmed that the preparation of such complied with applicable accounting standards and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosures had been made.

*(PS: * Mr. Wong Chun Yip Gavin has been appointed as our chairman of Audit Committee since 10 August 2026. Upon his appointment, the Company has provided a director training and briefing of his duties from an solicitor firm.)*

Other Information

Board of Directors

As of the date of this report, the directors of the Company are:

Executive Directors:

Mr. Lee Chun Tung *(Co-Chairman)*
Miss Cheung Ka Yi
Mr. Wang Han (resigned and redesignated from executive Director to non-executive Director on 30 June 2026)

Non-executive Director:

Mr. Lu Weixing *(Co-Chairman)*
Mr. Wang Han (redesignated on 30 June 2026)
Mr. Lau Chun Hung (resigned on 30 June 2026)
Mr. Lu Lin (resigned on 30 June 2026)

Independent Non-executive Directors:

Mr. Lau Kelly
Mr. Wong Chun Peng Stewart
Mr. Cheng Man Pan (resigned on 30 June 2026)
Ms. Jiang Tiancui (resigned on 30 June 2026)
*Mr. Wong Chun Yip Gavin (appointed on 10 August 2026)

By Order of the Board of
PINESTONE CAPITAL LIMITED
Lee Chun Tung
Executive Director

Hong Kong, 28 August 2026