



Hopefluent Group Holdings Limited

合富輝煌集團控股有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 733



2025

ANNUAL REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. FU Wai Chung (*Chairman*)

Mr. LO Yat Fung

Non-Executive Directors

Mr. FU Ear Ly

Mr. LI Bo

Mr. LI Fuqiang

Independent Non-Executive Directors

Mr. LAM King Pui

Mr. CAO Qimeng

Ms. XU Jing

MEMBERS OF AUDIT COMMITTEE

Mr. LAM King Pui (*Chairman*)

Mr. CAO Qimeng

Ms. XU Jing

MEMBERS OF REMUNERATION COMMITTEE

Mr. LAM King Pui (*Chairman*)

Mr. CAO Qimeng

Ms. XU Jing

MEMBERS OF NOMINATION COMMITTEE

Mr. FU Wai Chung (*Chairman*)

Mr. FU Ear Ly

Mr. LAM King Pui

Mr. CAO Qimeng

Ms. XU Jing

COMPANY SECRETARY

Mr. LO Hang Fong, solicitor, Hong Kong

AUTHORISED REPRESENTATIVES

Mr. FU Wai Chung

Mr. LO Yat Fung

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

9–10/F, One Bravo

1 Jinsui Road

Zhujiang New Town

Tianhe District, Guangzhou

People's Republic of China (the "PRC")

PLACE OF BUSINESS IN HONG KONG

Room 1302, 13th Floor

Shun Tak Centre West Tower

200 Connaught Road Central

Hong Kong

AUDITOR

BDO Limited

Certified Public Accountants and

Registered Public Interest Entity Auditor

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

LEGAL ADVISERS

Guantao & Chow Solicitors and Notaries

Suites 1801-3, 18/F, One Taikoo Place

979 King's Road, Quarry Bay

Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China

1/F, Citic Plaza

233 Tian He Bei Road

Guangzhou, PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

3rd Floor, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F

Far East Finance Centre

16 Harcourt Road

Hong Kong

STOCK CODE

733

WEBSITE

www.hopefluent.com

Financial Highlights



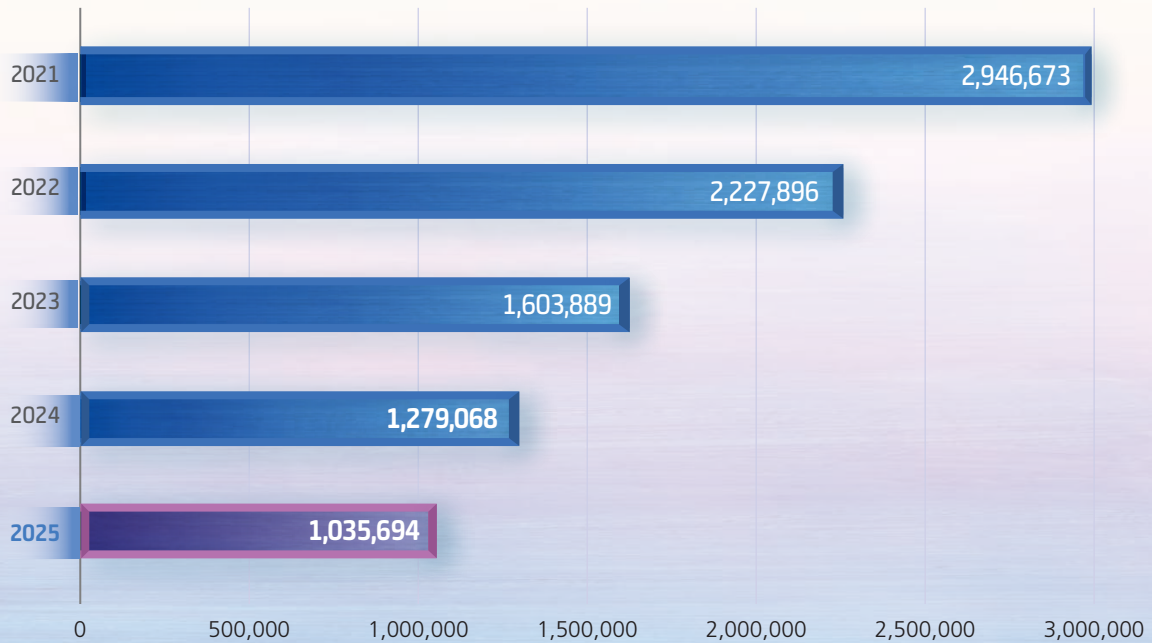
Turnover by Business

For the year ended 31st December



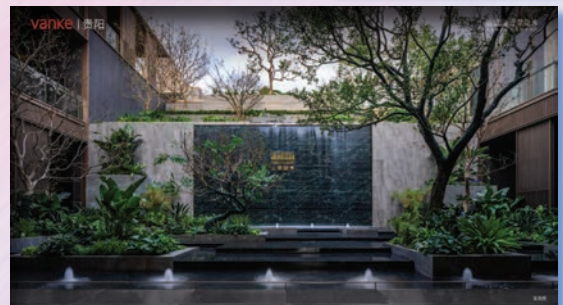
Shareholders' Funds

(HK\$'000)



Year in Review

The Group serves more than **40** cities. Currently, the Group has become the close partner of renowned developers such as Vanke, Yuexiu, Poly, China Resources Land, China Railway Group, China Railway Construction, China Green Town, Jinmao, Citic, Kingold, China Merchants Property Development, Logan, Country Garden and Huafa. The Group is continuing its efforts to expand its customer base and services and secure more agency projects in different regions, reinforcing its leading position in China's property service market.



Year in Review



In 2025, the property agency services will continue to be the core business of the Group. Given the prevalence of internet technology, the Group has integrated mobile network and online services with its traditional service so as to improve the operational mode of the industry and create room for sustainable development, thus ultimately providing more comprehensive services to customers.



Chairman Statement



FU WAI CHUNG
Chairman

The year 2025 was a year full of challenges and opportunities for China's real estate market. In the year, new developments continued to occur as the outside environment changed, economically and politically. Under this general condition where consumers haven't fully recovered their confidence and domestic economy was still undergoing structural adjustments, buyers and investors tended to hold an extremely cautious attitude toward house purchase.

Recently, the government rolled out a succession of policies to support real estate industry, which has injected new vitality into the market. As a result, consumer demand has gradually rebounded and market has showed signs of recovery and climbed to a stable level. In response to this trend, the Group has devised a number of strategies to seize the opportunities in the market while maintaining flexibility to changes. The Group continued to optimize its cost structure and shift its focus toward core cities and prime locations, with a view to finding new growth drivers for its businesses.

In 2025, the Group's overall turnover was HK\$599 million, a decline of 37% from the same period in 2024, mainly due to the overall downturn in the real estate market and intensified competition in the property real estate agency industry during the year, which resulted in operating losses. The loss attributable to shareholders was HK\$299.6 million.

Chairman Statement



OPERATE WITH RESILIENCE WHILE FOCUSING ON EFFICIENCY IMPROVEMENT AND ENCOURAGING INNOVATIONS

Last year, in the face a challenging market environment, the Group enhanced the performance of its business by strengthening operational resilience, with a focus on innovation, profitability, and scale. During the year, the Group concentrated on property real estate agency business and shifted its focus toward core cities and high-value areas. The Group also deepened its collaborations with leading developers to maximize coverage of projects with high value, ultimately achieving improvement in both market share and brand influence. We assessed the operational strategies of each region on a case-by-case basis, taking into account local market trends, customer characteristics and internal data. In addition, the Group continued to actively promote digital integration, continuously strengthening its online marketing capabilities to attract more potential customers, and thereby further refining the property real estate agency chain.

As for valuation research and customer search business, the Group sought to improve the accuracy, practicability and timeliness of data, exploring the application of artificial intelligence in data processing. We also continued to expand our customer base and provided partners with a strategy-navigating “decision operating system” to enhance their marketing capabilities, delivering full-cycle, high-quality services.

Furthermore, our self-developed “Bang Housing” APP and mini-program has helped us promote online media across multiple dimensions to advance the integration of online and offline resources, thus providing a full-process service from home search guidance to transaction completion. This has allowed us continue to expand our operations in the Pearl River Delta and other major mainland cities, which has enhanced our customers’ stickiness and our sales capabilities.

Against the backdrop of slowing economy and weakening demand, downward sentiment continued to pervade the real estate market. Like others, the Group was affected by the impact from both the macro economy and industry development. During the year, turnover of the Group’s property real estate agency business was approximately HK\$588 million (2024: approximately HK\$924 million).

The Group’s financial services business was also badly hit by external volatilities and tightening atmosphere in the market, with turnover amounting to approximately HK\$11 million (2024: approximately HK\$23 million).

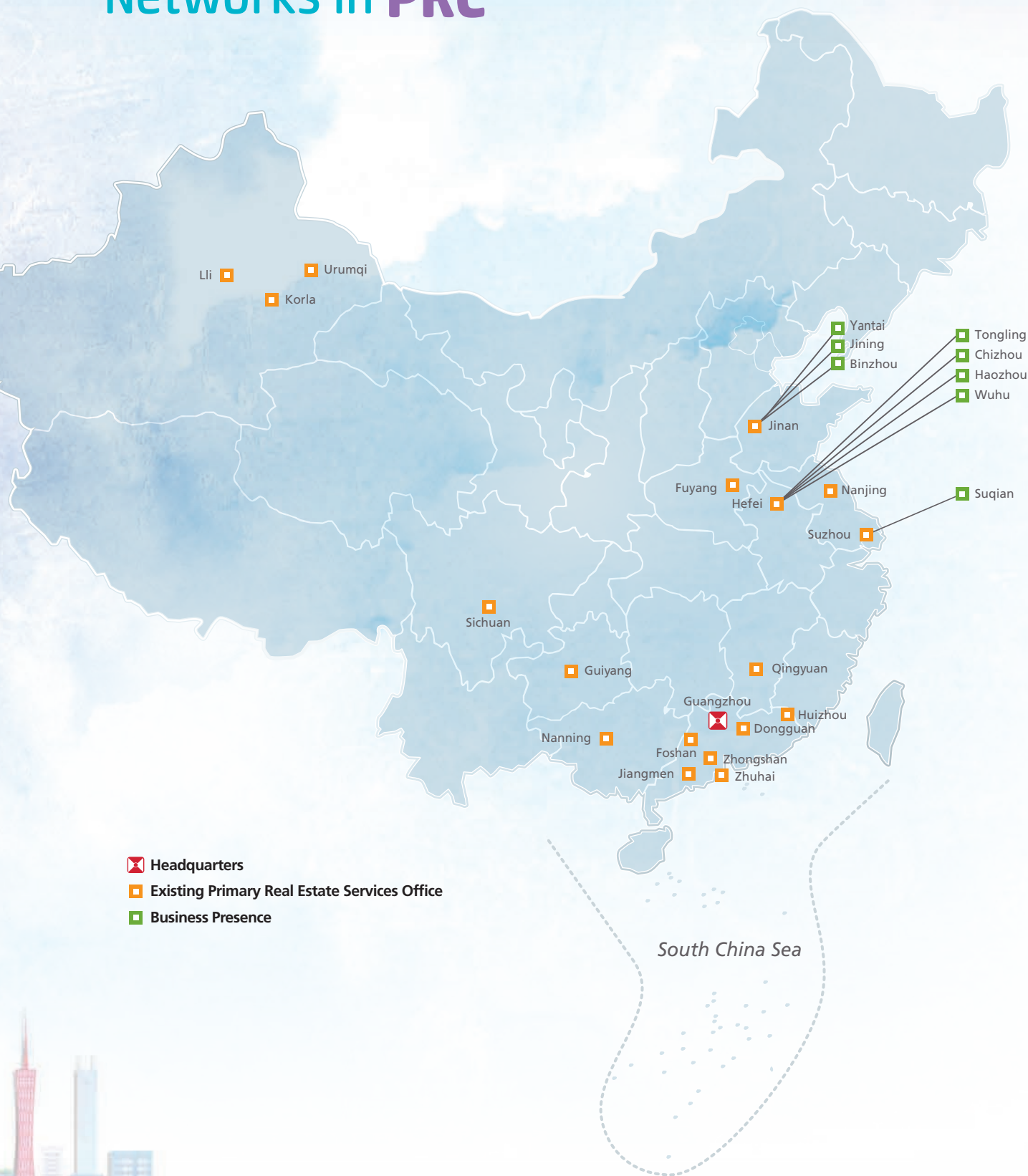
CONCLUSION

As the government reiterated real estate industry’s status as a pillar in the national economy, I firmly believe that our industry will witness a new wave of development. In the midst of continuous good news, consumers and investors are gradually picking up their confidence. With this development, the market will see an increase in demand and a rebound in transaction volume, which will position our business expansion plan high on agenda. Supported by favorable policies, the price of housing will gain stability, which will attract increasing number of buyers and investors to enter into the market.

In 2026, we will stay committed to our principal businesses, continue to make refinements, constantly push forward digital transformation and endeavor to improve our services efficiency. Leveraging artificial intelligence technologies, we will devise flexible operational strategies to meet customers’ needs. Meanwhile, we will actively explore potential opportunities in emerging markets and encourage innovation-driven development.

On behalf of the Group and the Board, I would like to express my gratitude to all Hopefluent employees for their hard work and contributions. I would also like to sincerely thank our shareholders, customers, business partners and investors for their continued support and trust in the Group. Hopefluent will continue to work diligently to create greater value for customers, and bring more satisfactory returns to shareholders.

Comprehensive Networks in PRC



Biographical Details of Directors & Senior Management



DIRECTORS

Executive Directors

Mr. Fu Wai Chung (“Mr. Fu”), aged 76, the co-founder and chairman of the Group, is responsible for the strategic planning and overall management of the Group. Mr. Fu is a graduate of 華南工學院 (Wahnan Industrial College, the PRC) and holds a certificate in mechanical engineering. Mr. Fu has over 30 years of experience in real estate agency business management and administration in the PRC.

Mr. Lo Yat Fung, aged 61, has over 30 years of experience in accounting and financial management. Mr. Lo holds a Master of Science degree in Sustainable Urban Development from the University of Oxford. He is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Non-Executive Directors

Mr. Fu Ear Ly, aged 41, is responsible for overseeing the Group’s overall development strategic and business planning. Mr. Fu Ear Ly graduated from Bentley University in the United States with a Bachelor’s degree in Finance and has nearly 20 years of experience in real estate investment business. Mr. Fu Ear Ly is the son of Mr. Fu.

Mr. Li Bo, aged 42, joined Country Garden Services Holdings Limited (“CG Services”) (a company listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with stock code: 6098) in August 2023, and currently serves as the general manager of the financial management department of CG Services’ incubation business segment. He worked at Country Garden Holdings Company Limited (a company listed on the main board of the Stock Exchange with stock code: 2007) from July 2007 to July 2023. Mr. Li Bo graduated from Xi’an Jiaotong University in July 2007 with a bachelor’s degree in accounting.

Mr. Li Fuqiang, aged 49, joined CG Services in August 2024 and is currently the general manager of the legal and internal control department of Biran Environmental Services (Guangzhou) Company Limited (a company established in the People’s Republic of China and a wholly-owned subsidiary of CG Services). Mr. Li Fuqiang has been practicing law since 1999 and possesses extensive experience as a lawyer. Mr. Li Fuqiang has worked for large real estate companies for over twenty years, accumulating extensive experience in corporate legal affairs and investment risk control. Mr. Li Fuqiang holds a bachelor’s degree in economic law from Jiangxi University of Science and Technology and is qualified as a lawyer in the People’s Republic of China in 2000.

Independent Non-Executive Directors

Mr. Lam King Pui, aged 60, is a chief accountant of a Hong Kong company and company secretary of several Hong Kong companies. He holds a Bachelor of Arts degree in accountancy from the Hong Kong Polytechnic University and has over 30 years of experience in accounting. Mr. Lam is a fellow member of the Association of Chartered Certified Accountants, a Certified Public Accountant, an associate member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Hong Kong Chartered Governance Institute.

Mr. Cao Qimeng, aged 43, holds an Executive Master of Business Administration degree from Fudan University and has over 15 years of experience in the financial industry. Mr. Cao is currently the general manager of Top Set China (上海致上投資諮詢有限公司). Mr. Cao had experience of working in international investment bank. Mr. Cao has working experience in Mainland China, Hong Kong, Singapore and New York.

Ms. Xu Jing, aged 40, holds a bachelor degree in business administration (finance) from Carnegie Mellon University in the United States and has about 10 years of experience in real estate and investment industry. Ms. Xu is currently the vice chairman of a property developer in China, leading project research and investment decisions.

Biographical Details of Directors & Senior Management

AUDIT COMMITTEE

The Company established an audit committee on 24th June, 2004. The primary duties of the audit committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. The audit committee has reviewed the audited financial statements for the year ended 31st December, 2025.

As at the date of the annual report, the audit committee of the Group consists of three independent non-executive directors, namely Mr. Lam King Pui, Mr. Cao Qimeng and Ms. Xu Jing. Mr. Lam King Pui was appointed as the chairman of the audit committee.

SENIOR MANAGEMENT

Mr. Liang Guo Hong, aged 60, is the financial controller and is responsible for the financial management of the Group. Mr. Liang holds a diploma in business administration from the Guangzhou Finance and Trading Management College, the PRC (廣州市財貿管理幹部學院) and a bachelor's degree in construction engineering from the Military Engineering College, the PRC (中國工程兵工程學院).

Ms. Yang Xiaojia, aged 39, is the manager of the administration department and is responsible for the administration and human resources of the Group. Ms. Yang holds a bachelor's degree in economics from Beijing Technology and Business University, the PRC (中國北京工商大學), and a master's degree in law from the University of East Anglia in United Kingdom.

Mr. Zheng Songjie, aged 48, is the deputy general manager of the Group and is responsible for formulation of development strategies and overall business management for primary property agency business of the Group. Mr. Zheng holds a bachelor's degree in business administration from the Guangdong Commercial College, the PRC (廣東商學院).

Mr. Xie Yu Han, aged 61, is the deputy general manager and is responsible for market research and analysis, property projects development planning and management of related information services. Mr. Xie holds a professional diploma in corporate management from the Jinan University, the PRC (中國暨南大學).

Mr. Li Wei, aged 54, is the deputy general manager, and is responsible for the formulation of development strategies and overall business management for the secondary property agency business as well as primary property agency business in the Western China Region of the Group. Mr. Li holds a bachelor's degree in material science and engineering from the Guangdong Industrial University, the PRC (廣東工業大學).

Mr. Sun Ke, aged 50, is the general manager of Southern China region and is responsible for promotion strategies and management of sales agency business for primary properties in Southern China region. Mr. Sun holds a bachelor's degree in architecture from Guangdong Industrial University, the PRC (廣東工業大學).

Mr. Guo Rui, aged 45, is the general manager of regional businesses at the Guangzhou Headquarters, and is responsible for the promotion strategies and management of sales agency business for primary properties in Guangzhou region. Mr. Guo holds a bachelor's degree in Engineering Management from the Guangzhou University.

Mr. Su Qi Gang, aged 52 is the general manager of the information technology department and is responsible for research and development of products of Internet application systems and management of related department. He has over 20 years of experience in information technology and Internet. Mr. Su holds a bachelor's degree in computational science from the Sun Yat-sen University (中山大學).

Mr. Zhen Zhong Xing, aged 42, is the general manager of financial services and is responsible for financial service business. Mr. Zhen holds a bachelor's degree from the Guangdong University of Finance & Economics (廣東財經大學).

COMPANY SECRETARY

Mr. Lo Hang Fong, aged 62, is a solicitor practising in Hong Kong and the company secretary of the Company. Mr. Lo holds a bachelor's degree in laws from the University of Bristol in England and a diploma in Chinese laws from the China Law Society. He has acquired over 20 years of experience in corporate advisory on mergers and acquisitions, initial public offerings and loan syndication.

Management Discussion and Analysis



BUSINESS REVIEW

I. Market Review for 2025

In 2025, China's real estate market faced a wide range of challenges and opportunities. The current market environment continued to evolve. Under the influence of factors such as weak consumer confidence, economic structural adjustments, and sustained price declines in the overall housing market, potential buyers and investors adopted a cautious approach when purchasing properties. Recently, the government continued to roll out policies, which has boosted market demand and prevented the market from declining, showing signs of recovery. In response to this development, the Group formulated and implemented flexible strategies, continuously optimizing its cost structure, while focusing on core cities and seeking opportunities for business growth.

II. Business Review of the Group

For the year ended 31 December 2025, the Group's turnover amounted to approximately HK\$599 million, a decrease of approximately 37% from the same period last year (2024: approximately HK\$947 million), and loss attributable to shareholders amounted to approximately HK\$299.6 million (2024: HK\$279.9 million). Basic loss per share was HK44.4 cents (2024: HK41.5 cents). The Board of Directors did not recommend the payment of a final dividend for the year ended 31 December 2025.

Turnover of the Group's property real estate agency business in 2025 was approximately HK\$588 million (2024: approximately HK\$924 million), accounting for 98% of the Group's turnover, while the turnover of the financial services business was approximately HK\$11 million (2024: approximately HK\$23 million), accounting for 2% of the Group's turnover.

For the full 2025 year, the Group's total value of properties transacted was approximately HK\$50.5 billion, while the total gross floor area sold was approximately 2.21 million square meters.

1. Property Real Estate Agency Business

Turnover of the Group's property real estate agency business was approximately HK\$588 million (2024: approximately HK\$924 million). Facing a challenging market environment, the Group has enhanced the performance of its agency business by strengthening operational resilience, with a focus on innovation, profitability, and scale. During the year, the Group concentrated on high-value urban areas, maximizing coverage of projects with high value and strong brand recognition from leading developers to ensure improvement in both market share and brand influence. It assessed the operational strategies of each company based on regions, taking into account local market trends, customer characteristics and internal data, to flexibly adjust strategies. In addition, the Group continued to promote digital integration and online marketing via new media, continuously strengthening its online marketing capabilities to attract more potential customers, and further refined the property real estate agency chain.

During the year, the Group's agency business covers approximately 40 large and medium size cities across the country, with over 400 agency projects and around 70 franchised secondary branches.

2. Financial Services Business

During the year, the turnover of the financial services business was approximately HK\$11 million (2024: approximately HK\$23 million). The Group's financial services business focused on serving existing high-quality customers and took a prudent and pragmatic approach to implementing strict risk controls and conducting business operations in response to market changes, with an aim to maintain business stability.

Management Discussion and Analysis

3. Other Value-Added Services

The valuation research and customer insight business continued to attract customers to the Group. During the year, the Group focused on improving the accuracy, practicability, comprehensiveness and timeliness of data, exploring the application of artificial intelligence and automation in data collation and presentation. It provided partners with a strategy-navigating “decision operating system” to enhance support for the marketing end, delivering full-cycle, high-quality services.

In addition, the “Bang Housing” APP and mini-program further integrated online and offline resources, providing a full-process service from home search guidance to transaction completion. “Bang Housing” will deepen its strategic cooperation with leading domestic and international technology and real estate companies to promote real estate technology innovation and industry upgrading. The number of cities where “Bang Housing” covered continued to increase, with a focus on the Pearl River Delta region, expanding its business nationwide.

At the meanwhile, the Group actively advanced innovative online marketing. Leveraging big data and intelligent analysis, it achieved online-offline synergy, enhancing lead conversion and transaction efficiency. High-frequency customer care and personalized recommendations strengthened customer stickiness and word-of-mouth.

III. Prospects for 2026

With the gradual stabilization of the market and the official reaffirmation of the real estate industry’s status as a pillar of the national economy, revitalizing the property market will remain a goal for sustained economic recovery. The industry is expected to encounter both new opportunities and challenges in 2026. As the economy gradually recovers, consumer confidence is expected to rebound, and market demand is likely to grow accordingly. With continued government support and market adjustments, housing prices are expected to remain stable. The financial attributes of high-quality assets in prime locations will become more prominent, which will attract more buyers and investors with strong purchasing power. It is believed that the real estate market will achieve healthier turnover, providing ample room for the Group’s business expansion. The Group will continue to focus on the real estate service business, deepen its presence in core city clusters, and strive for robust development.

In response to market challenges and to seize opportunities, the Group will continue to advance its digital transformation, utilizing AI technology to analyze market trends and customer data. Combined with the rich experience it accumulated, the Group will flexibly formulate business strategies and provide recommendations and solutions that better meet customer needs. Concurrently, while stabilizing its operations in core cities, the Group will explore potential opportunities in new markets and encourage innovative development.

Looking ahead, Hopefluent will remain committed to delivering superior products and services to customers, adhering to its sustainable development strategy, and fulfilling its corporate social responsibility to create long-term value for all investors.

Management Discussion and Analysis



AUDIT COMMITTEE

The Audit Committee of the Company, comprising the three existing independent non-executive directors, has reviewed the audited financial statements for the year ended 31 December 2025.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group maintained a sound financial position where the cash and bank deposits and current ratio, as a ratio of current assets to current liabilities, were approximately HK\$141 million (2024: HK\$211 million) and 3.14 (2024: 3.32) respectively. Total borrowings amounted to approximately HK\$109 million which are secured and unsecured bank loan and other borrowings (2024: approximately HK\$123 million). The Group's gearing ratio, which was computed by dividing the total borrowings by total assets, was approximately 7.5% (2024: 7.1%). The Group's borrowings are denominated in Renminbi. The Group had no material contingent liabilities as at 31 December 2025.

PLEDGE OF ASSETS

As at 31 December 2025, the Group pledged its investment properties and property, plant and equipment with an aggregate amount of approximately HK\$38 million (2024: HK\$66 million) to banks to secure bank borrowings of the Group.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's business transactions were denominated in either Hong Kong dollars or Renminbi. As such, the Group had no significant exposure to foreign exchange fluctuations.

EMPLOYEES

As at 31 December 2025, the Group had approximately 2,100 full time employees. Employees are regarded as the greatest and valuable assets of the Group. Competitive remuneration packages are structured to commensurate with individual job duties, qualification, performance and years of experience.

ENVIRONMENTAL POLICY

The Group is committed to building an environmental friendly working environment that conserves natural resources. The Group strives to minimize the environmental impact by saving electricity and water and encouraging recycle of office supplies.

CAPITAL STRUCTURE

As at 31 December 2025, the total number of shares (the "Shares") of HK\$0.01 each in the capital of the Company in issue was 674,149,989.

Management Discussion and Analysis

BUSINESS MODEL OF THE GROUP'S MONEY LENDING BUSINESS

One of the Group's business segments is financial services, which involves, among others, providing loans to individuals or companies in the PRC. The Group finances this moneylending business mainly with internal resources.

Potential customer(s) approach(es) the Group on their own or are referred through the Group's business network and connections. The Group focuses on the following category of customers:

- (i) for personal loans, the Group targets high net worth and reputable customers, the occupations of which ranged from executives, businessmen to professionals.
- (ii) for corporate loans, the Group targets companies with well-established business operations in PRC including listed property developers, asset management companies and other private companies.

The Group has maintained credit risk assessment policies and internal control measures in respect of, among others, credit approval, ongoing monitoring of loan recoverability and loan collection, as set out in the section headed "Credit Risk Assessment System and Internal Control Procedures" below to safeguard the Group's assets and interests.

CREDIT RISK ASSESSMENT SYSTEM AND INTERNAL CONTROL PROCEDURES

The Group has developed a credit risk management system in order to effectively identify, manage and minimize credit risks in connection with each loan the Group grants. In general, the Group's credit risk management process begins with an initial review and mainly consists of due diligence reviews on customers, risk assessment reviews, multilevel assessments and approvals, post-loan grant reviews and collections.

Below summarizes the key procedures of the Group's credit risk management system and internal control procedures:

Pre-loan stage

- The Group will conduct an initial review of the loan application, including the completeness, legality, authenticity and validity of the materials provided by the customer, and will consider whether to accept a customer's application pursuant to its application acceptance procedure.
- After initial pre-screening review, a loan application will be submitted for the formal loan assessment and review process. This involves extensive document reviews and due diligence procedures, as well as risk assessments.
- As part of its due diligence procedures for grants and renewals of loans, the Group's personnel will conduct independent investigations before the results undergo multiple levels of review and approval. The independent investigations steps taken include, among others:
 - (i) review the original bank statements, property ownership certificates, identification documents, legal operating licenses, and transaction records of individuals and legal entities.
 - (ii) accompany the customers to the credit bureau to obtain a credit report, which allows a review of the client's current assets and liabilities.
 - (iii) conduct thorough due diligence by investigating the collateral offered and business premises of the customer by the relationship manager and risk control manager.

Management Discussion and Analysis



- Once a loan application passes the abovementioned review, such loan application will be subject to credit review, which focuses on evaluating the customer's ability and willingness to pay its financial obligations when they fall due. As part of this process, the completed reports are reviewed and approved by more senior staff. Specifically, once the report is completed, the customer manager reviews and signs it before submitting it to the risk control assistant for checking. The risk control assistant conducts a thorough review of the customer's business operations, asset status, and document authenticity through various methods such as official litigation websites, online valuation platforms, and anti-fraud systems. The risk control assistant submits the report for approval by the risk control manager. In the event of loans above a certain threshold, final approval is also sought from the credit committee which includes directors of the finance subsidiary.
- Once a loan application is approved, the Group will prepare the loan contract and other relevant documentation based on its standard agreements and conduct its process for determining the relevant interest rate.
- The Group's process for determining, adjusting and approving the interest rate charge for loans is as follows. First, the Group adopts an internal benchmark interest rate with reference to the loan prime rate set by the People's Bank of China with adjustments based on the Group's expected return on funds, funding costs (if applicable), allocation of operating expenses, market price of similar loans and other relevant data. Second, the Group further adjusts the interest rates based on different individual loans taking into account various factors including the collateral conditions (credit or mortgage), repayment type (monthly interest payment, bullet repayment, equal instalment repayment, etc.), specific provisions for different loans' reserve plans, operating costs, and market quotations from peer loans in the industry. Third, the different loans and their corresponding interest rates are approved by different departments in the Group. Lastly, the Group regularly monitors the interest rates in the market and the latest regulations from regulatory authorities so further adjustments can be made based on objective needs.

Post-loan and recovery stages

- After granting the loans, the Group will continue to monitor the customer's ability to repay the loans. It will also conduct periodic reviews of the loans and conduct on-site visits or telephone interviews with the customers to monitor the risks associated with loans.
- Based on the circumstances and results of the negotiation with customers, the Group has then taken appropriate recovery actions including sending legal demand letters, arranging legal proceedings, enforcing guarantees or rights over collateral provided and entering into settlement or loan restructuring arrangements.
- Based on the progress and outcomes of the legal proceedings, the collection methods are reviewed by relevant personnel and where appropriate, raised to the attention of senior management to determine if any adjustments are required, to formulate other strategies for recovery and to consider if further legal action needs to be taken.
- Regular reports are submitted to the senior management, providing an overview of overdue principal and interest, collateral status, project location, collection progress, and optimization plans. Where issues arise, the matter is also raised to senior management to allow for sufficient oversight.

Management Discussion and Analysis

BREAKDOWN OF LOANS

The Group offers both secured and unsecured loans. Secured loans are mainly secured by properties in the PRC or project pledges. All of the loans are guaranteed by personal or corporate guarantees. During the year ended 31st December 2025, the Group had granted loans to 915 customers. Set out below is the table showing breakdown types of loans and types of collateral during the year ended 31st December 2025.

Types of loans		Number of customers
Personal loans		898
Corporate loans		17
		<hr/>
		915
		<hr/>

Secured or unsecured	Types of collateral	Number of customers
Unsecured	Personal or corporate guarantee only	894
Secured	Property	14
Secured	Projects pledge	7
		<hr/>
		915
		<hr/>

LOAN IMPAIRMENT POLICIES

The Group performs impairment assessments under the expected credit loss (“ECL”) model on financial assets (including loan receivables) which are subject to impairment under Hong Kong Financial Reporting Standard 9 — Financial Instruments issued by the Hong Kong Institute of Certified Public Accountants. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. For detailed impairment policies, please refer to the sub-paragraph headed “Impairment of financial assets” in the “Material accounting policies” on pages 78 to 80. Details of the movements in the allowance on loan receivables of the Group during the year are set out in note 21 to the consolidated financial statements.

Corporate Governance Report



CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “Board”) and the management of the Company and its subsidiaries (the “Group”) are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices have always been one of the Group’s goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders’ value.

The Board leads to establish, promote and continually reinforce the desired corporate culture of the Company which is underpinned by our corporate values of committing high standard of business ethics and integrity. Our sound corporate culture reaches all levels of the Group, and aligns with the Company’s corporate values and strategies.

The Board has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Continuous efforts are made to review and enhance the Group’s risk management and internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Board is pleased to report compliance with the code provisions of the CG Code for the year ended 31st December, 2025, except where otherwise stated.

DIRECTORS’ SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

The Board comprises:

Executive Directors	:	Mr. FU Wai Chung (<i>Chairman</i>) Mr. LO Yat Fung Mr. GAO Bin (<i>President</i>) (resigned on 21st March, 2025)
Non-executive Directors	:	Mr. FU Ear Ly Mr. LI Bo (appointed on 21st March, 2025) Mr. LI Fuqiang (appointed on 21st March, 2025) Mr. HUANG Peng (resigned on 21st March, 2025)
Independent Non-executive Directors	:	Mr. LAM King Pui Mr. CAO Qimeng Ms. XU Jing

Each independent non-executive director has given an annual confirmation of his/her independence to the Company, and the Company considers them to be independent under Rule 3.13 of the Listing Rules.

Mr. Fu Ear Ly is the son of Mr. Fu Wai Chung. Save as disclosed above, there is no financial, business, family or other material/ relevant relationship between any members of the Board.

Mr. Li Bo and Mr. Li Fuqiang, non-executive directors appointed on 21st March, 2025, confirm that they have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 21st March, 2025 and understand their legal obligations as directors of a listed issuer under the Listing Rules.

Corporate Governance Report

BOARD OF DIRECTORS (Continued)

During the financial year ended 31st December, 2025, four board meetings and one annual general meeting (“2025 AGM”) were held and the attendance of each director is set out as follows:

Name of director	Number of meetings attended in the year ended 31st December, 2025	
	Board meetings	2025 AGM
Mr. FU Wai Chung	4/4	1/1
Mr. GAO Bin (Resigned on 21st March, 2025)	N/A	N/A
Mr. LO Yat Fung	4/4	1/1
Mr. FU Ear Ly	4/4	1/1
Mr. HUANG Peng (Resigned on 21st March, 2025)	N/A	N/A
Mr. LI Bo (Appointed on 21st March, 2025)	3/3	1/1
Mr. LI Fuqiang (Appointed on 21st March, 2025)	3/3	1/1
Mr. LAM King Pui	4/4	1/1
Mr. CAO Qimeng	4/4	1/1
Ms. XU Jing	4/4	0/1

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board focuses on formulating the Group’s long-term objectives and overall strategies; authorising the development plan and budget; determining and approving financing options; monitoring financial and operating performance; reviewing the effectiveness of the risk management and internal control systems; supervising and managing management’s performance of the Group; and setting the Group’s values and standards. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company’s policies, practices on corporate governance, training and continuous professional development of directors and senior management, ensuring the Company’s policies and practices are in compliance with legal and regulatory requirements, etc. The Board reviewed the Company’s policies and practices on corporate governance as well as the Company’s compliance with the CG Code.

The Board held meetings from time to time whenever necessary. At least 14 days notice of regular Board meetings is given to all directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying board papers are sent to all directors at least 3 days before the date of every board meeting in order to allow sufficient time for the directors to review the documents.

Minutes of every board meeting are circulated to all directors for their perusal and comments. Minutes are open for inspection at any reasonable time on reasonable notice by any director. The Board also ensures that it is supplied in a timely manner with the agenda and all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every board member has full access to the advice and services of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

Corporate Governance Report



CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Since 21st March 2025, the Company has no such title as the chief executive officer and Mr. Fu Wai Chung (“Mr. Fu”) remains as the chairman of the Company. Mr. Fu has extensive experience in the industry which is beneficial and of great value to the overall development of the Company. The daily operation and management of the Company is monitored by the executive directors as well as the senior management. The Board is of the view that the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting operation of the Company. The Board has been nevertheless reviewing the structure and composition of the Board from time to time in light of prevailing circumstances, in order to maintain a high standard of corporate governance practices of the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each executive director is appointed for an initial term which is renewable automatically each year. All independent non-executive directors are currently appointed for a specific term up to year 2026 and 2028 respectively which may be extended as each director and the Company may agree in writing. The term of appointment of the non-executive directors is to year 2026 and year 2028 respectively thereafter is renewable automatically each year. However, their appointment are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provision of the Articles of Association of the Company (the “Articles of Association”).

The Articles of Association of the Company provides that at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation and that every director shall be subject to retirement by rotation at least once every 3 years.

PROFESSIONAL DEVELOPMENT

During the review year, directors attended relevant seminars to develop and refresh their knowledge and skills. All directors also participate in continuous professional development programmes such as external seminars or webinars organised by qualified professionals and provided in the website of The Stock Exchange of Hong Kong Limited, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective directors are kept and updated by the Company.

The individual training record of each director received for the year ended 31st December, 2025 is summarised below:

	Attending seminar(s)/ webinars/forum(s)/ programme(s)/ conference(s) relevant to the business or directors' duties
Mr. FU Wai Chung	✓
Mr. LO Yat Fung	✓
Mr. FU Ear Ly	✓
Mr. LI Bo	✓
Mr. LI Fuqiang	✓
Mr. LAM King Pui	✓
Mr. CAO Qimeng	✓
Ms. XU Jing	✓

Corporate Governance Report

PROFESSIONAL DEVELOPMENT (Continued)

Mr. Fu Wai Chung and Mr. Lo Yat Fung, being executive directors, Mr. Fu Ear Ly, Mr. Li Bo and Mr. Li Fuqiang, being non-executive directors, have attended various seminars or webinars and meetings to develop and refresh their knowledge so as to ensure that their contribution to the Board remains informed and relevant. Mr. Lam King Pui, Mr. Cao Qimeng and Ms. Xu Jing, being independent non-executive directors, have participated in continuous professional development programs provided by, among others, the Hong Kong Institute of Certified Public Accountants. All the directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises the three existing independent non-executive directors, who have reviewed the financial statements for the year ended 31st December, 2025. Mr. Lam King Pui, the chairman of the Audit Committee, has professional qualifications and in-depth experience in accounting and related financial management expertise. No member of the Audit Committee is a member of the former or existing auditor of the Company. The terms of reference of the Audit Committee are available at the Company's website and on the website of The Stock Exchange of Hong Kong Limited.

According to the existing terms of reference of the Audit Committee, its major roles and functions are, amongst others, to consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal of the external auditors; to review the half-year and annual financial statements before submission to the Board; to monitor the quality of risk management and internal control and to consider major findings of internal investigations and management's response.

Four meetings were held for the year ended 31st December, 2025. The attendance of each member is set out as follows:

Name of members of Audit Committee	Number of meetings attended in the financial year ended 31st December, 2025
Mr. LAM King Pui	4/4
Mr. CAO Qimeng	4/4
Ms. XU Jing	4/4

At the meetings held during the year, in performing its duties in accordance with its terms of reference, the work performed by the Audit Committee included:

- (a) review and supervise the financial reporting process and risk management and internal control systems of the Company and its subsidiaries;
- (b) make recommendation to the Board, for the approval by shareholders, of the re-appointment of the auditor and approval of their remuneration;
- (c) review the financial statements for the relevant periods; and
- (d) discuss the accounting policies and practices and business development of the Group.

Corporate Governance Report



REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) comprises the three existing independent non-executive directors and Mr. Lam King Pui is the chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are available at the Company’s website and on the website of The Stock Exchange of Hong Kong Limited.

The roles and functions of the Remuneration Committee include consulting the chairman of the Board about their remuneration proposals for other executive directors, making recommendation to the Board on the Company’s remuneration policy and structure for all directors’ and senior management and to review and/or approve matters relating to share schemes. The Remuneration Committee has adopted the approach under the E.1.2(c)(ii) of the code provisions to make recommendations to the Board on the remuneration packages of individual executive directors and senior management.

The Group’s human resources department assists the Remuneration Committee by providing relevant remuneration data and market conditions for the Committee’s consideration. The remuneration of executive directors and senior management is determined with reference to the Company’s performance and profitability, as well as remuneration benchmarks in the industry and the prevailing market conditions.

Two meetings were held during the year ended 31st December, 2025. During the meeting, the remuneration of two new directors was considered. No director or any of his associates was involved in deciding his own remuneration.

The attendance of each member is set out as follows:

Name of members of Remuneration Committee	Number of meetings attended in the financial year ended 31st December, 2025
Mr. LAM King Pui	2/2
Mr. CAO Qimeng	2/2
Ms. XU Jing	2/2

A share option scheme has been adopted in an extraordinary general meeting held on 23rd May, 2023. Details of this share option scheme are set out in a circular dated 3rd May, 2023.

A refreshment of share option scheme mandate limit has been approved in an extraordinary general meeting held on 20th December, 2024. Details of this refreshment of share option scheme mandate limit are set out in a circular dated 28th November, 2024.

The emolument payable to directors depends on their respective contractual terms under the service contracts and the appointment letters, and as recommended by the Remuneration Committee. Details of the directors’ emolument are set out in note 12 to the consolidated financial statements.

The remuneration of the members of the senior management (other than directors) by band for the year ended 31st December, 2025 is set out below:

HK\$	Number of members of senior management
500,000 to 1,500,000	8
1,500,000 to 2,500,000	1

Corporate Governance Report

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established on 22nd March, 2012 comprising Mr. Fu Wai Chung, Mr. Fu Ear Ly and the existing three independent non-executive directors. Mr. Fu Wai Chung is currently the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are available at the Company's website and on the website of The Stock Exchange of Hong Kong Limited.

According to the terms of reference of the Nomination Committee, its major roles and functions are as follows:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the board in maintaining a board skills matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships of the Company;
- to assess the independence of independent non-executive directors of the Company; and
- to make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors, in particular the chairman and the chief executive of the Company.

NOMINATION POLICY

In considering the nomination of new directors, the Board and nomination committee will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the property real estate agency and consultancy services and/or other professional areas and the diversity criteria set out in the board diversity policy of the Company.

The procedures for the election and appointment of director(s) are that the committee may search for candidates for directors on an extensive scale in the Company, its subsidiaries and the job market, gather information of the preliminary candidates and then shall submit to the board of directors its recommendations on candidates for directors and relevant materials prior to the election of new directors.

Two meetings were held during the year ended 31st December, 2025. During the meetings, the appointments of new directors have been considered and approved and the Committee had also confirmed the independence of independent non-executive directors who would be retired and offered themselves for re-election at 2025 AGM and the diversity of the Board.

The attendance of each member is set out as follows:

Name of members of Nomination Committee	Number of meetings attended in the financial year ended 31st December, 2025
Mr. FU Wai Chung	2/2
Mr. FU Ear Ly	2/2
Mr. LAM King Pui	2/2
Mr. CAO Qimeng	2/2
Ms. XU Jing	2/2

Corporate Governance Report



BOARD AND WORKFORCE DIVERSITY

The Board has a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.




Selection of candidates will be based on a range of diversity perspectives as stated in the above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this report, the Board comprises 8 directors. One of them is women. Three of the directors are independent non-executive directors and independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of gender, professional background and skills. Biographical details with the professional experience, skills and knowledge of the Directors are available in the section of “Biographical Details of Directors and Senior Management” of this annual report.

The Board comprises eight directors and one of them is female. The Company targets to avoid a single gender Board and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Company believes the balance of gender in the Board would bring more inspiration to the Board and enhance the business development of the Group, thus gender diversity is one of the essential factor for the Company to select suitable candidate as a Director.

As at the date of this report, approximately 90% of the Company’s senior workforce (including the directors and senior management) is male and approximately 10% is female. Same as the gender diversity of the Board, the Company targets to avoid a single gender senior workforce and will timely review the gender diversity of the senior workforce in accordance with the business development of the Group. Details of the Group’s gender diversity at workforce level are set out in the Environmental, Social and Governance report of this annual report.

The following tables further illustrate the diversity of the Board members as of the date of this annual report:

 Category	2 Executive Directors	3 Non-Executive Directors	3 Independent Non-Executive Directors
 Gender	7 Male		1 Female
 Age Group	5 30-49	2 50-69	1 Over 70

The measurable objective of the Company is to ensure that there is at least one director of a different gender. As of 31 December 2025, the Company had one female director, thus achieving the measurable objective. The Company has not set any measurable objectives for implementation of the diversity policy in relation to the workforce of the Group (including gender diversity) because property real estate agency service is neither a male nor female dominated industry. However, the Company will consider and review from time to time such diversity policy (including gender diversity) and setting of any measurable objectives (if applicable).

Corporate Governance Report

DIVIDEND POLICY

The Board has approved and adopted a policy for the Company's dividend distribution (the "Dividend Policy") in 2019.

The Dividend Policy of the Company aims at enhancing transparency of the Company and facilitating the shareholders and investors to make informed investment decisions relating to the Company.

Under the Dividend Policy, the Company does not have any pre-determined dividend payout ratio. The declaration, payment and amount of dividends are subject to the Board's discretion having regard to the following factors:

- (1) the Group's actual and expected financial performance;
- (2) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
- (3) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (4) the Group's liquidity position;
- (5) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (6) the contractual restrictions on the payment of dividends by the Company to its shareholders (if any);
- (7) the statutory and regulatory restrictions on the payment of dividends by the Company; and
- (8) any other factors that the Board deems relevant.

The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

Such declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rule and regulations and the Articles of Association of the Company.

Any declaration and payment of future dividends under the Dividend Policy are subject to the Board's determination that the same would be in the best interests of the Group and the shareholders of the Company as a whole. The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any given period.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion solely to the shareholders of the Company, as a body, and for no other purpose. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

Corporate Governance Report



ACCOUNTABILITY AND AUDIT (Continued) Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. The Board oversees the overall risk management of the Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risks have been disclosed in the report of the directors of this annual report. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Each department of the Company would choose certain material risk events in its field every year and assess and grade the possibility of occurrence and influence of risk events to determine the scope of material risk of the year together with the management of the Company. Each functional department prepares counteractions to deal with material risks in its field and report the execution situation regularly.

The Company has maintained an internal control department (“ICD”) established in 2006 which performs an internal audit function and reported directly to the Board. The function of the ICD audit team is to ensure the branches operation and practices are complied with the Group’s policies and procedures. The team has reviewed and checked the sales performance reports and cash flow of each branch rotationally. The management of the Company has established a set of structure, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board reviews the risk management and internal controls annually. The Board has conducted a review of, and is satisfied with the effectiveness and adequacy of the risk management and internal control systems and the internal audit function for the year ended 31st December, 2025.

With respect to the monitoring and disclosure of inside information, the Company has formulated its guidelines, with an aim to ensure that the insiders abide by the confidentiality requirement and fulfil the disclosure obligation of the inside information.

Auditors’ Remuneration

During the financial year ended 31st December, 2025, the fees paid to the Company’s auditors is set out as follows:

The non-audit services provided by the auditors are relating to review of the Company’s interim report.

Services rendered	Fees paid/payable HK\$’000
Audit and audit related services	1,990
Non-audit services	300
	<hr/>
	2,290

COMPANY SECRETARY

The Company has engaged Mr. Lo Hang Fong, a solicitor practising in Hong Kong, as its company secretary and Mr. Lo Yat Fung, an executive director of the Company, is the person whom the company secretary can contact. The Board is confident that having Mr. Lo Hang Fong as the company secretary is beneficial to the Group’s compliance of the applicable laws, rules and regulations. The biographical details of Mr. Lo Hang Fong are set out under the section headed “Biographical Details of Directors & Senior Management”.

According to Rule 3.29 of the Listing Rules, Mr. Lo Hang Fong has taken no less than 15 hours of relevant professional training during the financial year ended 31st December, 2025.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

— Right to convene EGM

Any one or more members holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's business office as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company at the Company's place of business in Hong Kong at Room 1302, 13th Floor, Shun Tak Centre West Tower, 200 Connaught Road Central, Hong Kong and such may consist of several documents in like form, each signed by one or more requisitionists.

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified as not in order, the shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal, as follows:

- At least 14 clear days' notice in writing if the proposal constitutes an ordinary resolution of the Company;
- At least 21 clear days' notice in writing if calling for an annual general meeting or the proposal constitutes a special resolution of the Company in EGM.

— Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the place of business of the Company in Hong Kong or by e-mail to info@hopefluent.com.hk for the attention of the Board or company secretary.

Corporate Governance Report



SHAREHOLDERS' RIGHTS (Continued)

— Right to put forward proposals at general meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2011 Revision). However, shareholders are requested to follow Article 58 of the Company's Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above. Pursuant to Article 88 of the Company's Articles of Association, no person, other than a director retiring at a meeting, shall, unless recommended by the directors for election, be eligible for appointment as a director at any general meeting unless a Notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

INVESTOR RELATIONS

Communication with Shareholders

The Company has established a shareholders' communication policy and the Board shall review it on a regular basis to ensure its effectiveness. The Company communicates with the shareholders and/or potential investors mainly by: (i) holding of annual general meeting ("AGM") and extraordinary general meetings which shall be convened for specific purposes (if any) which provide opportunities for the shareholders to communicate with the Board; (ii) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules; and (iii) the availability of information of the Group on the Company's website at www.hopefluent.com.

Shareholders and investors are welcome to visit the Company's website to raise enquiries where responsible staff contact details are available on the Company's website.

The chairman of the 2025 AGM and the chairman/members of the Board Committees and the external auditor were available at the 2025 AGM to answer questions from the shareholders. The procedures for conducting a poll have been explained during the meeting.

Shareholder communication is effective during the year because shareholders can raise questions to the management of the Company at the 2025 AGM and has made enquiries about the Company through contacting the relevant staff. The Board reviewed the implementation and effectiveness of the Shareholders' communication policy during the year and the results were satisfactory.

During the year ended 31st December, 2025, there are changes in the Company's constitutional documents shown in the circular dated 28 April 2025. The Company has adopted the second amended and restated articles of association of the Company by a special resolution passed on 6 June, 2025 and effective on the same date. The memorandum and articles of association is available on the websites of the Company and of the Stock Exchange.

Directors' Report

The directors present their annual report and the audited consolidated financial statements for the year ended 31st December, 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 41 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 67.

On 26th March, 2026, the Board did not recommend the payment of a final dividend for the year ended 31st December, 2025 (2024: nil).

There was no interim dividend declared for the six months ended 30th June, 2025 (six months ended 30th June, 2024: nil).

The dividend policy of the Group is set out in the Corporate Governance Report of this report.

BUSINESS REVIEW

The business review of the Group for the year ended 31st December, 2025 is set out in the section headed "Management Discussion and Analysis" on page 11 respectively of this Annual Report.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

The Company provides a fair and safe workplace, competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide property information that satisfy needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the property so that the Group can respond proactively.

The Group is also dedicated to develop good relationship with developers as long-term business partners to ensure stability of the Group's business.

Directors' Report



POSSIBLE RISKS AND UNCERTAINTIES FACING THE COMPANY

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

The results of operations and prospects of the Group are subject, to a significant degree, to economic, political and legal developments in the PRC. The economy of the PRC differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, the growth rate, and government control of foreign exchange. The Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on the current or future business, results of operation or financial condition of the Group.

Financial Risk

The financial risk management of the Group are set out in note 39b to the consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 2nd June, 2026 (Tuesday) to 5th June, 2026 (Friday), both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2026 Annual General Meeting. Shareholders whose names appear on the register of members of the Company on Friday, 5th June 2026, the record date, are entitled to attend and vote at the 2026 Annual General Meeting. In order to be eligible to attend and vote at the 2026 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 1st June, 2026 (Monday).

During the period mentioned above, no transfers of shares will be registered.

INVESTMENT PROPERTIES

During the year, the Group revalued all of its investment properties as at 31st December, 2025. The deficit arising on the revaluation amounted to HK\$11,709,000 and has been recognised in the consolidated statement of profit or loss and other comprehensive income. Details of the movements in the investment properties of the Group during the year are set out in note 16 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent capital expenditure of HK\$8,615,000 on additions of property, plant and equipment, mostly for the expansion of property agency services throughout the PRC.

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 30 to the consolidated financial statements.

Directors' Report

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31st December, 2025 comprised the share premium, contributed surplus reserve and accumulated losses of approximately HK\$380 million.

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Article of Association, dividends shall be distributed out of the retained profits or other reserves, including the share premium account, of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

The Company has not redeemed any of its shares, and neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31st December, 2025.

The Company did not have any treasury shares (as defined under the Listing Rules) as at 31st December, 2025 and as at the date of this report.

BOARD OF DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors

Mr. FU Wai Chung (*Chairman*)

Mr. LO Yat Fung

Non-executive directors

Mr. FU Ear Ly

Mr. LI Bo (appointed on 21st March, 2025)

Mr. LI Fuqiang (appointed on 21st March, 2025)

Independent non-executive directors

Mr. LAM King Pui

Mr. CAO Qimeng

Ms. XU Jing

In accordance with the provisions of the Company's Articles of Association, Mr. LO Yat Fung, Mr. FU Early and Mr. CAO Qimeng shall retire and being eligible, offer themselves for re-election at the 2026 AGM.

The term of office of each independent non-executive director is the period from the date of appointment up to his/her retirement by rotation as required by the provisions of the Company's Articles of Association.

Mr. LI Bo and Mr. LI Fuqiang, non-executive directors appointed on 21st March, 2025, confirm that they have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 21st March, 2025 and understand their legal obligations as directors of a listed issuer under the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors of the Company and three non-executive directors have entered into a service contract with the Company for an initial term of three years and will continue thereafter until terminated by either party giving to the other not less than three months' advance written notice of termination.

Other than as disclosed above, none of the directors of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

Directors' Report

DIRECTORS' INTERESTS IN SHARES

At 31st December, 2025, the interests of the directors and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions:

- (i) Ordinary share of HK\$0.01 each and underlying shares under equity derivatives of the Company

Name of Director	Number of shares			Aggregate interest	Approximate percentage of the issued share capital
	Ordinary shares interest held under personal/spouse name	Ordinary shares interests held by controlled corporations	Underlying shares (under equity derivatives of the Company)		
Director					
Mr. Fu Wai Chung ("Mr. Fu")	35,422,668 (Note 1)	160,193,644 (Note 1)	–	195,616,312	29.02%
Mr. Fu Ear Ly	–	90,319,938 (Note 2)	–	90,319,938	13.40%

Notes:

- (1) These 29,431,304 shares are registered in the name of Fu's Family Limited which is held as to 70% by Mr. Fu, 15% by Ms. Ng Wan and the remaining 15% by Ms. Fu Man. 112,418,263 shares are registered in the name of China-net Holding Ltd. which is wholly-owned by Mr. Fu. China-net Holding Ltd. is also interested in 18,344,077 shares through its ownership of Happy Chord Limited which is wholly-owned by China-net Holding Ltd.. 28,024,334 shares are held by himself and 7,398,334 shares held by his spouse, Ms. Ng Wan.
- (2) These 78,319,938 shares are registered in the name of Rainbow Cross Limited which is wholly-owned by Mr. Fu Ear Ly. He is the son of Mr. Fu and Ms. Ng Wan, and the nephew of Ms. Fu Man. 12,000,000 shares were held by Intelligent Youth Limited which is wholly-owned by Mr. Fu Ear Ly.

On 19th January 2026, additional 12,000,000 shares were acquired by Intelligent Youth Limited.

- (ii) Ordinary shares of US\$1.00 each in Fu's Family Limited

Name of Director	Number of shares interest	Percentage of shareholding
Mr. Fu Wai Chung	70	70%
Ms. Ng Wan	15	15%
Ms. Fu Man	15	15%

Directors' Report

DIRECTORS' INTERESTS IN SHARES (Continued)

Long positions: (Continued)

(iii) Ordinary shares of US\$1.00 each in China-net Holding Ltd.

Name of Director	Number of shares interest	Percentage of shareholding
Mr. Fu Wai Chung	100	100%

Other than as disclosed above, none of the directors nor their associates had any interest or short position in any shares or underlying shares of the Company or any of its associated corporations as at 31st December, 2025. As at 31st December, 2025, none of the directors and chief executive of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

SHARE OPTIONS

Particulars of the Company's share options scheme were set out in note 35 to the consolidated financial statements.

On 23rd May, 2023, the Company adopted a share option scheme (the "Scheme") to replace the share option scheme adopted in 2014 (the "Old Scheme").

No share options were granted, exercised, lapsed or cancelled during the review year. The Company did not have any outstanding share option as at 31 December 2025 and 31 December 2024.

The number of options available for grant as at 1st January, 2025 under the Scheme mandate was 67,414,998 and as at 31st December, 2025 under the Scheme mandate is 67,414,998.

The number of shares that may be issued in respect of options already granted under the Scheme of the Company during the year is nil (2024: nil), representing 0% (2024: 0%) of the issued shares of the Company as at the date of the annual report because all share options granted were lapsed or cancelled already in year 2024.

The total number of shares of the Company (the "Shares") that may be issued in respect of options granted under the Scheme for the year ended 31st December, 2025 is nil (i.e. 0 Shares) (2024: nil) divided by the weighted average number of Shares of the relevant class in issue (i.e. 674,149,989 Shares) for the year ended 31st December, 2025 was nil (2024: nil).

A refreshment of share option scheme mandate limit has been approved in an extraordinary general meeting held on 20th December, 2024. Details of this refreshment of share option scheme mandate limit are set out in a circular dated 28th November, 2024. As at the date of the annual report, there was no outstanding share options of the Company and the total number of Shares available for issue under the Scheme (i.e. Shares issuable for share options can be granted) was 67,414,998 Shares, representing approximately 10% of the issued share capital of the Company.

The Board has amended the Scheme to provide the Company with flexibility to hold treasury shares in view of the amendments to the Listing Rules relating to treasury shares which took effect on 11th June, 2024. On 22nd November, 2024, the Board passed a resolution to amend the terms of the Scheme effective immediately to the effect that the Company may satisfy the grants of the share options under the Scheme using treasury shares of the Company. Save for the above amendments and other minor tidying up and housekeeping amendments, all other terms of the Scheme remain unchanged. Details are set out in a circular dated 28th November, 2024.

Directors' Report



DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Other than the Company's share option scheme as disclosed above, at no time during the year was the Company, or any of its subsidiaries or its fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTION

There was no connected transaction as defined under Chapter 14A of the Listing Rules during year under review.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contracts of significance, to which the Company, its subsidiaries or fellow subsidiaries, was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

There is no transactions, arrangements and contract of significance to the business of the Group between the Company, or any of its subsidiaries, or a controlling shareholder or any of its subsidiaries during the year. During the year, no transactions, arrangements and contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries was made.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, none of the directors had any interest in a business (other than the business of the Group), which competes or is likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

During the financial year and up to the date of this report, a permitted indemnity provision being in force for the benefit of the directors of the Company is in the Articles of Association of the Company. The Articles of Association is available on the website of the Stock Exchange. Directors' liability insurance is arranged to cover the directors of the Company against any potential costs and liabilities arising from claims brought against them.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's shares.

Directors' Report

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2025, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Long positions:

Name of shareholder	Capacity	Number of issued ordinary shares or security interests	Approximate percentage of the issued share capital and/or security interest of the Company
Mr. Fu	Beneficial owner/held by controlled corporation/Spouse interests (note 1)	195,616,312	29.02%
Concrete Win Limited	Held by controlled corporation (note 2)	169,293,497	25.11%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
Country Garden Property Services HK Holdings Company Limited	Beneficial owner (note 2)	169,293,497	25.11%
	Person having security interest in shares (note 2)	67,414,999	10.00%
Country Garden Services Holdings Company Limited	Held by controlled corporation (note 2)	169,293,497	25.11%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
United Gain Group Ltd	Held by controlled corporation (note 2)	169,293,497	25.11%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
Ms. YANG Huiyan	Held by controlled corporation (note 2)	169,293,497	25.11%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
Mr. CHEN Chong	Interest of spouse (note 2)	169,293,497	25.11%
	Interest of spouse (security interest) (note 2)	67,414,999	10.00%
China-net Holding Ltd.	Beneficial owner/held by controlled corporation (note 1)	130,762,340	19.40%
Mr. Fu Ear Ly	Held by controlled corporation (note 3)	90,319,938	13.40%
Rainbow Cross Limited	Beneficial owner (note 3)	78,319,938	11.62%

Directors' Report



SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions: (Continued)

Notes:

1. Under the SFO, Mr. Fu is deemed to be interested in the shares held by Fu's Family Limited and China-net Holding Ltd.. Mr. Fu's interests include 29,431,304 shares held through Fu's Family Limited, 28,024,334 shares held by himself and 7,398,334 shares held by his spouse, Ms. Ng Wan, 112,418,263 shares are registered in the name of China-net Holding Ltd. which is wholly-owned by Mr. Fu. China-net Holding Ltd. is also interested in 18,344,077 shares through its ownership of Happy Chord Limited which is wholly-owned by China-net Holding Ltd.. Ms. Ng Wan is the spouse of Mr. Fu. Ms. Fu Man is the sister of Mr. Fu. The entire issued share capital of Fu's Family Limited is held as to 70% by Mr. Fu, 15% by Ms. Ng Wan and 15% by Ms. Fu Man. Under the SFO, Mr. Fu is deemed to be interested in all the shares registered in the name of Fu's Family Limited.
2. 169,293,497 shares are registered in the name of Country Garden Property Services HK Holdings Company Limited, a company wholly-owned by United Gain Group Ltd. United Gain Group Ltd is owned as to 100.00% by Country Garden Services Holdings Company Limited ("CG Services"). Ms. Yang Huiyan holds a total of 16.26% shares of CG Services through Concrete Win Limited and Fortune Warrior Global Limited and holds 20.18% of the voting rights of CG Services' shares (the shares are owned by Guoqiang Public Welfare Foundation (Hong Kong) Limited), thus Ms. Yang is deemed to be interested in a total of 36.44% shares in CG Services. Mr. Chen Chong is the husband of Ms. Yang and is deemed to be interested in the shares in which Ms. Yang is interested. There is a charge over 67,414,999 shares of the Company in favour of Country Garden Property Services HK Holdings Company Limited as security for certain indemnification obligations pursuant to an equity transfer agreement dated 9th November, 2022. Therefore, Country Garden Property Services HK Holdings Company Limited is deemed to have a security interest in these shares.
3. 78,319,938 shares are registered in the name of Rainbow Cross Limited. 12,000,000 shares are registered in the name of Intelligent Youth Limited. Both Intelligent Youth Limited and Rainbow Cross Limited are wholly-owned by Mr. Fu Ear Ly. He is the son of Mr. Fu and Ms. Ng Wan, and the nephew of Ms. Fu Man.

On 19th January 2026, additional 12,000,000 shares were acquired by Intelligent Youth Limited.

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st December, 2025.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company considers all of the independent non-executive directors as independent.

EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits included insurance and medical cover, subsidised training programme as well as share option scheme.

The determination of emoluments of the directors of the Company had taken into consideration of their expertise and job specifications.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's five largest customers were less than 30% of total turnover. The Group had no major suppliers due to the nature of the principal activities of the Group.

None of the directors, their associates or any shareholders of the Company which, to the knowledge of the directors, owned more than 5% of the Company's issued share capital, had any interest in any of the five largest customers of the Group.

ENVIRONMENTAL POLICY

The Group is committed to building an environmental friendly working environment that conserves natural resources. The Group strives to minimise the environmental impact by saving electricity and water and encouraging recycle of office supplies. Details of which have been disclosed in the Environmental, Social and Governance report of this report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the financial year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

Directors' Report

SUFFICIENCY OF PUBLIC FLOAT

The applicable public float threshold for the Company is the initial prescribed threshold of at least 25% of the total number of issued shares (excluding treasury shares) held by the public.

As at 31 December 2025, the total issued share capital of the Company amounted to HK\$6,741,499.89 comprising 674,149,989 ordinary shares of HK\$0.01 each. The Company has one class of shares in issue, which rank pari passu with each other in all respects.

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has complied with the prescribed public float requirements under Rule 13.32B of the Listing Rules as at 31 December 2025.

As at 31 December 2025, approximately 32.47% of the total number of issued shares of the Company (excluding treasury shares) were held by the public.

The Company has maintained a sufficient public float throughout the year ended 31st December, 2025.

RELATED PARTY TRANSACTION

Details of the major related party transactions undertaken in the normal course of business are provided under note 37 to the consolidated financial statements of this annual report, none of which constitutes a discloseable continuing connected transaction or connected transaction as defined under the Listing Rules.

AUDITOR

BDO Limited will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

A resolution will be submitted to the annual general meeting to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Fu Wai Chung

Chairman

Hong Kong

26th March, 2026

Environmental, Social and Governance Report



The Board of the Company are pleased to present this report in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Code”) as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This report covers the financial year ended 31st December, 2025 and describes how the Company fulfils the ESG Code. This report covers the Company and all of its subsidiaries and branches in the People’s Republic of China (the “PRC”) and Hong Kong (the “Group”).

MANAGEMENT APPROACH, STRATEGY, PRIORITIES AND OBJECTIVES

The Board is responsible for the environmental and social governance strategy to ensure that the relevant environmental and social policies are in place. The Board also believes that the success of the Group is not only based on the performance of its operations and activities, but is also based upon its responsibility and commitment towards the environment, employees, suppliers, customers, and the community. The Group has adopted various policies in the environmental and social aspects in order to support the Group’s sustainability growth.

The Group manages its operations and businesses in an environmentally and socially responsible manner and this report sets out the summary of how the Group implements its environmental and social policies during the year ended 31st December, 2025. The Board has carried out a series of processes based on the ESG Code which includes, among others, setting ESG target and reviewing the progress made against them during the financial year.

The management of the Company has confirmed to the Board about the effectiveness of the environmental and social policies, and this report has been reviewed and approved by the Board.

STATEMENT FROM THE BOARD

The Board hereby presents you this report for the financial year ended 31st December, 2025. Our Group strives to create values for its shareholders while fulfilling corporate social responsibility. The Board is responsible for overseeing the Group’s corporate governance as well as the ESG management approach. The Board has a supervisory role in the data collection, drafting and review of the ESG report.

The ESG working team of the Group is composed of certain full-time staff from different departments and branches who are responsible for collecting relevant information on its ESG aspects for compiling the ESG Report. The Board and the ESG working team assess the significance of multiple ESG topics with reference to different stakeholders’ opinions by communicating with the Group’s stakeholders.

The representative of ESG working team periodically reports to the Board, assists in identifying and assessing the Group’s ESG risks and the effectiveness of the internal control mechanisms. Such team also examines and evaluates the Group’s performances in different aspects, such as environmental protection, recruitment practices, and other ESG aspects. The Board sets the general direction for the Group’s ESG strategies, ensuring the effectiveness of risk management and internal control mechanisms. The Group has been adopting measures to reduce its environmental impacts on different areas and regularly reviews the effectiveness of such measures. The Group has set emission targets to maintained at the level of year 2025 for year 2026 in relation to the total GHG emission, non-hazardous waste and use of resources with an approximate 5% reduction target. We will continue to adopt the measures in this ESG report to achieve the targets.

Environmental, Social and Governance Report

REPORTING PRINCIPLES

The Group has adopted the following reporting principles in the preparation of this report:

(i) Materiality

The Group has held discussions among our management and employees of different departments to assess the materiality of these issues in consideration of the Group's business and all relevant stakeholders, as well as to propose suggestions and action plans to improve decision-making and accountability from a social and environmental perspective. In this ESG report, we include details of ESG-related issues that were identified during such discussions and which we considered material.

(ii) Quantitative

The Group provides quantitative information on the Group's ESG performance. The calculation methods used are described in the relevant sections.

(iii) Balance

The report provides an unbiased picture of the Group's ESG and avoids selections, omissions, or presentation formats that may mislead the readers.

(iv) Consistency

The Group applies a consistent methodology to aggregate ESG factors to ensure the meaningful comparison over time. Unless otherwise stated, there were no significant changes to the calculation method or the scope of aggregation in the preparation of the report for financial year ended 31st December, 2025.

REPORTING BOUNDARY

As a general principle, this report focuses mainly on the property real estate agency services business operated by the Group in the PRC.

FURTHER INFORMATION

The Group values feedback from its stakeholders. If you have any opinions or suggestions regarding this ESG report or the Group's performance, please feel free to contact us by post to the place of business of the Company in Hong Kong or by emailing to info@hopefluent.com.hk.

Environmental, Social and Governance Report



STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG performance. To better understand and address their concerns and expectations, the Group has maintained communication with its key stakeholders on a regular basis through various channels. The following table summarises stakeholders' participation channels and their concerns and expectations:

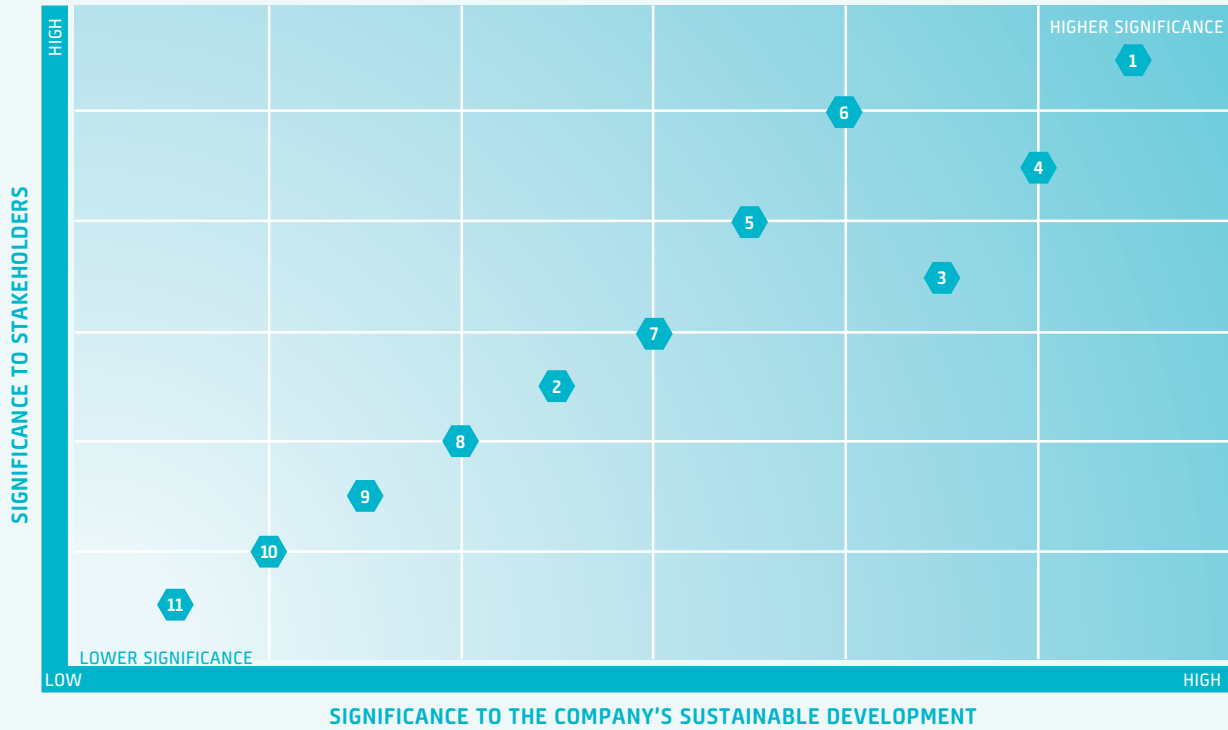
Stakeholders	Communication Channels	Concerns and Expectations
Shareholders/Investors	— General meetings	— Financial performance
	— Annual and interim report	— Business development
	— Announcements and notices	— Accurate, complete and timely information disclosure
	— Company website	— Shareholders' rights and interest
Customers	— Customer service	— Customer's satisfaction
	— Customer email	— Protection of customers' privacy
	— Company website	
	— Online chat service	
Employees	— Regular performance appraisals	— Career development
	— Frequent meetings	— Occupational health and safety
	— Training programmes	— Remuneration and benefits
Suppliers	— Order	— Equal opportunity
	— Tele-conferences	— Product quality
		— Fair and open procurement
Communities/Non-governmental organisations	— Donations and support to the community	— Stable relationship
		— Contribution to society
		— Compliance with laws and regulations
		— Voluntary service

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

The management and employees have prepared the ESG report, helped the Group to identify key ESG issues and assessed the importance of these issues to its businesses and stakeholders. A questionnaire has been utilised to the relevant departments and business teams of the Group to identify material ESG aspects.

The following materiality tables summarises the influence and significance level of the Group’s ESG issues as set out in the ESG Report:



- | | |
|---|--|
| <ul style="list-style-type: none"> 1. Anti-corruption 2. Development and training 3. Recruitment practices and labour standards 4. Compliance with regulatory requirements 5. Customer privacy and information | <ul style="list-style-type: none"> 6. Health and safety 7. Service quality 8. Supply chain management 9. Use of resources 10. Community investment 11. Emissions |
|---|--|

Environmental, Social and Governance Report



ENVIRONMENTAL Emissions

The Group is engaged in the businesses of provision of real estate agency service, mortgage referral services, advertising, marketing services, financial services and investment holding.

The Group's direct environment impact is immaterial as we are in the service industry and primarily an office based company with low energy, power and water consumption. Therefore, the operations of the Group does not have significant impact to the environment and does not generate significant air and greenhouse gas ("GHG") emissions, discharges into water and land and hazardous and non-hazardous waste. The emissions generated by the Group mainly consist of GHG such as carbon dioxide emitted from the consumption of electricity.

Therefore, during the year ended 31st December, 2025, the Group and its office did not generate significant emissions, water pollutants and hazardous wastes during the operation, except for GHG emissions and non-hazardous waste.

The non-hazardous wastes generated by the Group's operations mainly consist of toner cartridges and ink cartridges. During the current year and prior year, the consumption volume generated by the Group is shown as below:

Non-hazardous waste category	2025 Pieces	2024 Pieces
Toner cartridge	70	190
Ink cartridge	40	150

Consumption of toner and ink cartridge declined due to property transactions handled by the Group decreased because of the property market downturn and the promotion of paperless during the year.

The Group's workplace effluents and wastes are limited which are attributed to the operation of the Company's offices and property real estate agency service branches. Workplace wastes are treated by the property management companies maintaining the Group's offices and branches. Our GHG emissions are indirect, principally resulting from electricity consumed at the Company's offices and branches as well as from business travel by some employees.

Owing to its business nature, the main air emissions of the Group are the GHG emissions, arising from the use of electricity in the office and branch operations. The total GHG emissions for the year was about 460 tonnes (2024: approximately 1,380 tonnes) in carbon dioxide equivalent.

GHG Performance Summary	2025 Tonnes	2024 Tonnes
Direct GHG emission — petrol consumption	190	240
Indirect GHG emission — electricity consumption	270	1,140
Total GHG emission	460	1,380

Paper and water consumption (please refer to "Use of Resources" section) and electricity consumption have been decreased due to the decrease in the number of each of property transactions, branches and employees during the review year. Consumption of petrol has been decreased because of a decrease in property transactions due to the overall downturn in the real estate market, tough competition in the property real estate agency industry.

The Group is committed to the principles of waste management for the proper handling and disposal of all wastes from our business activities. The Group also takes steps to closely monitor and manage the environmental effect of the operations.

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued)

Our View on the Environment

It is the Group's objective to reduce energy consumption and carbon emissions and support the national carbon peaking and carbon neutrality strategy. The Group adopts green practices into its operation. The Group recognises that preserving the global environment is one of our missions. In order to meet our target to continuously reduce our burden on the global environment and promote environmental protection, we have been implementing the following initiatives. For example, at the Group's offices and branches, the indoor temperature and the running time of air-conditioning system are controlled to reduce energy consumption and carbon emissions.

The Group does not produce hazardous wastes in its business activities.

Use of Resources

Since the Company's operation is office based, the energy, power and water utilisation of the Group is relatively low. Resources such as electricity and water are mainly consumed by its offices and branches. The Group is committed to building an environmental friendly working environment that conserves natural resources. The Group targets to minimise the environmental impact by saving electricity and water, encouraging recycle of office supplies, and using environmental friendly equipments and tools in the marketing events of the property promotion project.

The water consumption of the Group is limited, and much of the water consumption is for basic cleaning, sanitation and daily domestic uses in the office and branches. We also promote water conservation awareness to the employees, and inspect water supply facilities to reduce water wastage.

Concerning the use of energy and office electricity control, the Group requires employees to make sure that all lights, computers, office equipment, and other electronic appliances are switched off after office hour or when they are not utilised. Furthermore, when we purchase office equipment and electronic appliances, we take into great consideration about the energy consumption efficiency of the office equipment and electronic appliances.

For office consumables consumption management, the Group encourages its employees to handle documents electronically. Concerning the reduction of use of papers, we require the employee to assess the necessity of printing, and adopt the practice of double-sided printing and reusing single-sided printed papers. In addition, internet-meeting practices through video conference or telephone conference, instead of face-to-face meetings, are encouraged to avoid unnecessary travel. We also encourage recycle of office supplies.

During the financial year, the Group's use of major resources and energy is as follows:

Gasoline

During the financial year, the Group consumed gasoline of vehicles of approximately 60 tonnes (2024: approximately 100 tonnes), which was mainly used for the daily consumption by the office vehicles of the Company. The decrease in the consumption of gasoline was in line with the decreased property transactions.

Electricity

During the financial year, the electricity consumption of the Group was approximately 440,000 kWh (2024: approximately 1,800,000 kWh), which was consumption for the daily operation of the Company. The decline is due to the decrease in number of property transactions, branches and employees.

Use of Water

During the financial year, the water consumption of the Group was approximately 1,100 tonnes (2024: approximately 13,500 tonnes). The water consumption is classified as daily consumed water. Water consumption has been reduced due to the decrease in number of employees during the review year.

Environmental, Social and Governance Report



ENVIRONMENTAL (Continued) Use of Resources (Continued)

Paper

During the financial year, the Company procured a total of approximately 4 tonnes (2024: 6 tonnes) of paper, which was mainly for general office purposes.

Resource Consumption	2025 Tonnes/kWh	2024 Tonnes/kWh
Gasoline	60	100
Electricity	440,000	1,800,000
Water	1,100	13,500
Paper	4	6

Since the Group operates in the provision of service industry, other than the above major resource consumption categories, there is no other category of resource consumption that needs to be disclosed in accordance with relevant laws and regulations. The Group strictly follows the environmental laws and regulations in the PRC, and there has been no material environmental problem during the year.

In addition, due to the nature of business, the Group did not have physical products for sale and therefore did not involve any use of packaging materials. Therefore, such disclosure is not applicable to the Group.

The Group has complied with relevant environmental laws and regulations, including but not limited to Environmental Protection Law of the PRC, Water Pollution Prevention and Control Law of the PRC, Law of the PRC on Prevention and Control of Air Pollution and Environmental Protection Law of Solid Waste Pollution of the PRC. During the year ended 31st December, 2025, the Group was not aware of any material non-compliance with laws and regulations relating to the air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes that would have a significant impact on the Group.

The Environment and Natural Resources

Although the Group's environment impact and the use of natural resources is limited, the Group still aims to work towards environmental best practice during the activities and operations of the Group in order to minimise any environmental impact.

We also promote environmental awareness among the employees to achieve environmental sustainability and require employees to use resources reasonably. We also assess the environmental risks of our operation and activities from time to time.

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued)

Climate-related Disclosure

Climate Governance and Strategy

The company has established a well-organized climate governance framework to ensure effective oversight and smooth operation. The Board of Directors, as the highest decision-making body, is responsible for comprehensively assessing the risks and opportunities related to climate change, formulating strategic plans, and approving major matters.

The ESG working team is responsible for the overall coordination and organization of climate change-related work and regularly reports its progress to the Board. The ESG working team composed of colleagues from the departments including the Administration Department (office energy-saving renovation), the Technology Department (digital platform upgrade), the Business Department (green project agency service), and these departments understand how the business of the Group such as the market and clients' demand affected by climate issues which ensure appropriate strategies can be designed and developed to respond to climate-related risks and opportunities

The Board and ESG working team familiarize themselves with the national carbon neutrality targets, and local regulations to ensure appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities.

The Board is informed about climate-related risks and opportunities by the ESG working team annually.

The Board will take into account the following trade-offs associated with those climate-related risks and opportunities when overseeing the Company's strategy, its decisions on obtaining agency projects, and its risk management processes and related policies. Save as disclosed below, there is no significant trade-offs associated with those risks and opportunities considered by the Board.

1. Balancing Cost and Sustainability in Business Model

Trade-off: Promoting digital property viewing (such as VR and livestreaming) requires technology investment but it can significantly reduce carbon emissions from customers' and staff's travel for physical viewings. Continuously investing in new-media operations to reduce the carbon footprint of business activities while improving customer conversion rates — reflecting a balance between short-term cost investment and long-term efficiency gains and low-carbon brand value.

2. Balancing Markets and Green Trends in Customer Service Strategy

Trade-off: Not all projects under agency service possess green-building certifications or low-carbon design features, yet high-end customers' demand for environmental performance is increasing.

The business team may selectively highlights properties with energy-saving, healthy-living, or ecological advantages during project value packaging. At the same time, for projects that are not classified as green, the team provides alternative narratives such as "future upgrade potential" or "low-carbon transportation connectivity in the area". This reflects a flexible balance between the current limitations of a project and guiding customer expectations.

The ESG working team oversees and monitors progress by checking information about energy and resource consumption in offices and branches.

The ESG working team will co-ordinate with administration Department (office energy-saving renovation), the technology department (digital platform upgrade), the business Department (green project agency service) for the implementation and execution of tasks and plans. The ESG working team obtains ESG information from relevant departments. The board meets with ESG working team regularly to oversee its work progress.

The Group's current control and procedures to support the oversight of climate-related risks and opportunities is mainly reflected in the way green and low-carbon concepts, which are incorporated in a scattered manner into day-to-day business operations and strategic adjustments, rather than through a unified plan.

Environmental, Social and Governance Report



ENVIRONMENTAL (Continued) Climate-related Disclosure (Continued)

The board set targets (as disclosed in the “Statement from the Board”) for the Group as a whole and ESG working team will monitor the progress by checking offices and branches’ energy saving performance. Performance metrics are not included in remuneration policies.

Climate-related risks and opportunities

Risk category	Risk factor	Risk description and effect	Impact time period	Measures
Physical risks	Acute risk	Extreme weather risks, such as typhoons, heavy rain and torrential rain, may lead to operational disruptions such as disruptions to client site visits and affect business performance	short term	Site selection away from flood plains; flood barriers; Strengthen meteorological monitoring, and push meteorological information in real time; Equip with emergency supplies, such as sandbags, water pumps; Develop emergency response plans and conduct regular emergency drills: conduct typhoon and flood prevention drills;
	Chronic Risk	High temperatures and heatwaves increase air-conditioning energy consumption in office premises, pushing up electricity expenses	short term/ medium term	Optimize Air Conditioning use in office and branches and implement energy saving behaviour in offices
	Chronic Risk	Homebuyers are avoiding certain areas due to climate risks (such as flood-prone or rising sea-level areas), leading to a slowdown in the sales of related properties	medium term	Sales staff consider this issue when promoting real estate property and suggest more alternatives for clients

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued)

Climate-related Disclosure (Continued)

Risk category	Risk factor	Risk description and effect	Impact time period	Measures
Transition Risks	Technical risk	Digitalization Pressure: Need for investment in virtual property tours and online transaction platforms to reduce travel emissions.	long term	Resource allocation towards digitalization and increase investment in the technology of online platform
	Policy risk	The government is strengthening regulations on green buildings and energy efficiency or carbon emissions, increasing compliance or marketing adaptation costs.	long term	Green building knowledge and green opportunity identification are included in internal training
	Market risk	Customer preferences are shifting towards green/healthy homes; failure to respond with adequate services will result in a loss of competitiveness.	long term	the same as above

Opportunities	Description and effect	Impact time period	Measures
Opportunities	Increased revenue from digital services: Promoting low-carbon tools such as VR property viewing and live streaming can expand business reach, reduce travel emission and may positively contribute positive cash flow.	long term	Resource allocation to digital services
	market preference for green-certified properties affecting service demand and competitive positioning by provision of professional green value packaging and customer education services, it is expected to obtain higher commission terms or exclusive agency rights, thereby improving cash inflow.	long term	Internal training including related knowledge

Short-Term (1 to 3 years): This term focuses on achieving annual business targets, quarterly performance, rapid market response, and operational efficiency optimization.

Medium-Term (4 to 6 years): This related to the adaptation/adjustment of the group's strategic cycle, establishing core capability period, and market structural changes.

Long-Term (7 to 10 years): This related to industry reform, brand value creation, and establishing sustainable development capability.

Environmental, Social and Governance Report



ENVIRONMENTAL (Continued) Climate-related Disclosure (Continued)

Current and Anticipated Effects of Climate-Related Risks and Opportunities on Business Model and Value Chain

The Group has assessed how climate-related risks and opportunities affect its business model and value chain.

Current effects and anticipated effects on Business Model

Current effects:

1. Digital services become common and general practice: To reduce the carbon emission of in-person property viewings and improve efficiency, Hopefluent has fully implemented tools such as VR property viewings, AI customer service, live-streamed property selection, and online contract signing, accelerating its business model's transformation towards a "dual-track" online and offline approach.
2. Green environmental factors have incorporated into project value packaging: During marketing housing projects, key selling points such as community greening rates, energy-saving systems, and proximity to subway lines for low-carbon transportation are highlighted to address customers' concerns about healthy and livable environments.
3. More cautious partner selection: Priority is given to partnering with companies with better ESG performance to mitigate reputational risks.

Anticipated effects:

1. Enhanced Role of "Green Property Consultant": Professional home selection advice will be provided to clients, including climate resilience and energy efficiency ratings, upgrading the role from "service business operator" to "sustainable living solutions provider".
2. Shift in Business Structure Towards High-Resilience Areas: Resource investment will be reduced in projects in high-risk climate areas such as flood-prone and high-temperature regions, focusing on core areas with well-developed planning and strong infrastructure disaster resistance.
3. Enhanced technological capabilities: AI and big data analysis will be further integrated to predict the impact of regional climate risks on housing prices, providing developers with proactive property positioning advice and enhancing service value.

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued) Climate-related Disclosure (Continued)

Current and Anticipated Effects of Climate-Related Risks and Opportunities on Business Model and Value Chain (Continued)

Current effects and anticipated effects on Value Chain

Current effects:

1. The Group has begun to monitor the impact of extreme weather on regional sales speeds; for example, data on decreased customer visits in areas prone to flooding has been incorporated into the regional heat map model.
2. Low-carbon and healthy labels such as “high green coverage,” “low density,” and “natural ventilation” have been added to project marketing materials to align with new consumer preferences.
3. Training for sales personnel has incorporated knowledge of “green housing” to enhance their professional sales communication skills.

Anticipated effects:

1. Upstream (Developers): Developers will increasingly rely on the Group for “climate-adaptive product design advice” (such as balcony sun shading and rainwater recycling systems). The Group may be more involved in product development from the early stages of projects, shifting its position forward in the value chain. Developers demanding ESG-aligned marketing and compliance support.
2. Downstream (Customers and Communities): Extending into the existing housing market, the Group will provide assessments of the low-carbon renovation potentials of older communities, connecting with home improvement and energy-saving equipment service providers to create a closed loop of “transaction + renovation + resale,” extending customer life cycle value.

The core risk area is focused on the Guangdong-Hong Kong-Macao Greater Bay Area. This area includes multiple waterfront properties such as river and sea views, which are susceptible to acute physical risks such as typhoons, heavy rainfall causing waterlogging and flooding, and summer heat.

Value chain risk: The early-stage research and value assessment phases of a project are risk-sensitive. The Group provides feasibility studies and value assessment services. Failure to have adequate consideration on climate risks may lead to valuation discrepancies.

Climate-Related Opportunities concentrated on the Green Building and Healthy Housing and digital services.

With the advancement of “dual carbon” goals and the upgrading of climate adaptation needs, green buildings and climate-friendly smart homes have become new market hotspots. Extreme weather is driving the online transformation of real estate services, further strengthening the competitiveness of the “online + offline” dual-track model and forming a closed loop of climate-adaptive services.

Strategy and decision-making

Current and anticipated changes to the Company’s business model, including its resource allocation, to address climate-related risks and opportunities:

Current change:

Resource allocation towards digitalization and optimization of core areas: Increase investment in the technology of online platforms, improve functions such as VR house viewing, live house selection, online contract signing, and AI customer service, and enhance business continuity under extreme weather conditions. Currently, online channels have become one of the important supports for customer acquisition and transaction conversion.

Environmental, Social and Governance Report



ENVIRONMENTAL (Continued) Climate-related Disclosure (Continued) Strategy and decision-making (Continued)

Anticipated change:

Resources are being tilted toward digitalization and green service capabilities: Investment in AI and big data technologies such as upgrading the climate adaptability service functions on the online platform.

Current and anticipated adaptation and mitigation efforts

- At the business level: Strengthening climate adaptability services for high-end property agency projects, assisting developers in optimizing project design schemes and suggesting the addition of typhoon protection, rainwater harvesting, energy-saving insulations.
- At the operational level, we are promoting a low-carbon transformation: optimizing internal office processes, reducing the use of paper documents, through digital systems to digitize business processes, and reducing operational energy consumption.

The Group has not developed a specific, systematic climate-related transition plan. The Group's current response to climate-related risks and opportunities is mainly reflected in green and low-carbon concepts and climate-adaptive measures into daily business operations and adjustments.

The Group plans to achieve any climate-related targets through the following ways:

i) Low-carbon emission reduction path at the operational level

Focusing on internal office energy consumption management, reduce paper consumption (as disclosed in the section named "Resource Consumption"); promoting energy-saving renovations in branches such as replacing lighting fixtures with energy-saving ones.

ii) Green on the business side

Focusing on the green building and low-carbon projects, we indirectly promote emission reduction among our clients, providing low-carbon renovation consulting and upgrade digital services (such as VR house viewing).

The Company is resourcing and plans to resource in the following ways:

The Group currently lacks a dedicated resource system for climate-related actions. Resource allocation is largely integrated into existing business budgets and departmental responsibilities, distributed to the corresponding implementing departments as needed, as follows:

Financial Resources: There is no dedicated budget for climate action; related investments are drawn from the operating budgets of each department. For example:

- i. Funding for energy-saving renovations in office areas is included in the annual office facilities upgrade budget by the Administration Department;
- ii. Funding for optimizing online platforms is allocated from the dedicated budget for digital marketing.

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued) **Climate-related Disclosure (Continued)** **Strategy and decision-making (Continued)**

Future Resource Plan

As industry climate regulation intensifies and the need for green business transformation increases, the Group plans to gradually improve its resource support system and strengthen the support capabilities of implementing departments such as exploring the establishment of a special budget related to climate, incorporate it into the overall annual budget system, and prioritize its allocation to core implementing departments.

The Group continued to promote digital integration and online marketing via new media, continuously strengthening its online marketing capabilities. For the quantitative progress, please refer to the “comparative figures shown in the boxes for the preceding financial year and for this financial year in this ESG report.

Financial position, financial performance and cash flows

The Group is unable to qualify or quantify the effects of climate-related risks and opportunities on its financial position, financial performance and cash flows for the financial year. These effects are not separately identifiable.

The Group is unable to qualify or quantify the change on its financial position and change on its financial performance and cash flows over the short, medium and long term given its strategy to manage climate-related risks and opportunities. These effects are not separately identifiable.

The reason that climate-related risks and opportunities’ impact to property real estate agency business cannot be quantified or qualified because customers will consider lot of factors such as proximity to workplace, schools, public transport, access to amenities, neighbourhood safety, reputation of residential district, price, floor area, culture of the neighbourhood. Future development plans in the area during acquisition of property. Climate factor is only one of the factors. Financial effects caused by climate-related risks and opportunities is not separately identifiable e.g. Technological acceleration and digitalization is not only due to the climate risks and opportunities, but also because of global trends.

Climate Resilience

The climate resilience analysis have had an impact on the Group’s overall strategy and business model. In response to key issues identified in the scenario analysis, such as the pressure from green building policies and the disruption of property marketing activities by extreme weather, the Group plans to optimize its business structure, further focus on marketing and agency services for high-quality green and low-carbon projects, establish a green building project consulting service system, and provide developers with low-carbon marketing solutions that meet the standards of “good housing”.

Environmental, Social and Governance Report



ENVIRONMENTAL (Continued) Climate-related Disclosure (Continued) Climate Resilience (Continued)

The uncertainties areas in the Group's assessment of its climate resilience:

1. Policy and regulatory adjustments: such as updates to green building evaluation standards and adjustments to carbon reduction targets for the real estate agency industry;
2. The pace of technology evolution: the application of technologies such as smart technology, digital marketing, and building consulting may fall short of expectations;
3. Changes in market demand: fluctuations in homebuyers' preferences for high-quality residential projects that meet green and low-carbon criteria;
4. Climate model prediction bias. the frequency and intensity of extreme weather events may be different from predictions, affecting the launch and promotion of properties.

The Group possesses the capability to adjust its short-, medium-, and long-term strategies and business models in accordance with climate change trends and industry policy guidance. The timeframes are consistent with the Group's strategic decision-making and real estate project cycles: 1–3 years for the short term, 4-6 years for the medium term, and 7-10 years for the long term. At the governance, resource, and technology levels, the Group has established an intelligent online marketing system. At the management level, an adjustment process with follow-ups and annual assessments has been established, enabling timely optimization of business models based on the changes in market demand, ensuring that strategies align with the industry's green transformation trend.

The climate-related scenario analysis of the Group uses two scenarios: SSP1-1.9 (low temperature control) and SSP2-4.5 (medium temperature control) scenarios from the intergovernmental Panel on Climate change ("IPCC") Sixth Assessment Report.

The analysis covers two different temperature control target scenarios, namely medium and low, and this includes two development paths: rapid transformation and gradual transformation, to avoid the bias caused by single-scenario analysis.

SSP1-1.9 and SSP2-4.5 scenarios mainly correspond to climate-related risks, focusing on analyzing the impact of the green transition on the group's business and customer cooperation. On the transition level, it focuses on the green building policies, while on the physical level, it covers the impact of extreme high temperatures, heavy rain, typhoons.

The Group has used SSP1-1.9 (intend to meet the Paris Agreement 1.5°C target) and SSP2-4.5 scenarios (moderate, intermediate greenhouse gas emissions scenario) from IPCC.

All two selected scenarios are relevant to assessing the Group's climate resilience and can effectively reflect the climate policy changes, and green development trends. Among them, the specific scenario, combined with domestic real estate green transformation policies and industry characteristics, can pinpoint the Group's main climate-related uncertainties.

The analysis uses a time range of 1–10 years, which is completely consistent with the short, medium and long term time definition disclosed above. It also covers the life cycle of real estate project development, sales, operation, renewal and maintenance, as well as the group's business strategic planning cycle, to ensure that the analysis results are relevant for the group's green business layout, marketing strategy adjustment and other strategic planning.

The analysis covers 44 cities where the group operates, encompassing the following business units: marketing planning, property agency, real estate consulting and financial services.

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued) Climate-related Disclosure (Continued) Climate Resilience (Continued)

The assumptions the Group made in the analysis:

- Existing mitigation measures remain the same.
- Assets and operation district remain the same.

The reporting period in which the climate-related scenario analysis was carried out in the financial year for year ended 31 December 2025.

Risks and opportunities levels from assessment results

Types of Risk	Short-term		Medium-term		Long-term	
	SSP 1-1.9	SSP 2-4.5	SSP 1-1.9	SSP 2-4.5	SSP 1-1.9	SSP 2-4.5
Extreme Weather Events	Low	Low	Low	Medium	Low	Medium
High Temperatures and Heatwaves Increase	Low	Low	Low	Medium	Low	Medium
Change in Market Demand	Low	Low	Low	Medium	Low	Medium
Digitalization Pressure	Low	Low	Low	Medium	Low	Medium
Policy & Regulation Tightening	Low	Low	Low	Medium	Low	Medium
Customer preferences	Low	Low	Low	Medium	Low	Medium

Types of Opportunity	Short-term		Medium-term	
	SSP 1-1.9	SSP 2-4.5	SSP 1-1.9	SSP 2-4.5
Increased revenue from digital services	Low	Low	Low	Medium
Market preference for green-certified properties	Low	Low	Low	Medium

Risk and opportunity Severity Definitions

- **Very Low:** Can be temporarily deprioritised.
- **Low:** Handle through standard existing processes.
- **Medium:** Need to be monitored consistently.
- **High:** Require management strategy planning and implementation tracking.
- **Very High:** Require immediate action and prioritised management strategy planning.

Risk Management

The Group used external data sources including climate monitoring data released by the National Meteorological Center, the Ministry of Ecology and Environment, and the Ministry of Housing and Urban-Rural Development while internal data sources including energy consumption data for all business segments of the group, information from properties agency of different geographical areas, and records of business interruption caused by historical climate disasters.

Environmental, Social and Governance Report



ENVIRONMENTAL (Continued) Climate-related Disclosure (Continued) Risk Management (Continued)

The data collection and analysis program covers the Group's core businesses, including primary property agency services, secondary property agency services and property consultation services.

The core parameters include parameters derived from climate indicators such as the frequency of extreme weather events, the magnitude of temperature rise, and the rate of change in precipitation; as well as business-related parameters such as energy consumption for branches.

As disclosed in the section above named "Climate Resilience", the Company has used The IPCC Sixth Assessment Report's SSP1-1.9 and SSP2-4.5 scenarios to identify the climate-related risks such as:

- 1) Physical Risk: the impact of extreme weather events such as typhoons, heavy rain, and high temperatures on property agency services and potential damage to branches and disruptions to property agency services.
- 2) Transition Risks: green building standard upgrades, carbon emission reduction assessments in the building sector.

The Group assesses the nature, likelihood and magnitude of the effects of these risks through a combination of qualitative and quantitative methods was used to assess climate-related risks from three parts: the nature of the effects, the probability, and the degree of impact:

- 1) Determining the nature of the effects:

Distinguish between physical risks and transition risks. At the same time, clarify the specific types of impacts of the risks on the business.

- 2) Probability Assessment:

Combining historical climate data, scenario analysis results, and real estate industry experience, a probability grading method is used to assess the probability of risk occurrence.

- 3) Degree of Impact Assessment:

Quantitative indicators such as loss thresholds, revenue impact ratios. Potential financial impacts are calculated using risk models, such as estimating revenue losses due to business interruption caused by extreme weather.

Qualitatively, the impact of risks on non-financial factors such as the group's strategic implementation, developer partnerships, and brand image is considered to form a comprehensive assessment result, classifying risks into three levels: significant risk, moderate risk, and potential risk.

The Group did not prioritise climate-related risks. The Group considers climate-related risks in a holistic manner with other types of risks, incorporating them into the Group's overall risk list.

By combining meteorological warnings, company operating data, we monitor key risks through collecting information from branches such as branches in coastal areas and we conduct a comprehensive risk review to assess the effectiveness annually.

The Group has not changed the processes it uses compared with the previous reporting year except leveraging digital technology, AI algorithms were introduced to optimize the accuracy of risk assessment.

Through the process of a three-dimensional identification mechanism: "policy interpretation — business performance — scenario analysis (as disclosed above)," potential risks can be mitigated, and opportunities arising from climate can be explored. e.g. green building project agency services and digital property viewing risk avoidance services.

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued)

Climate-related Disclosure (Continued)

Risk Management (Continued)

Climate factors are included as an item be identified and summarized in parallel with credit risk, market risk, to form a risk list. The climate risk and opportunities monitoring results are integrated with the group's overall risk and opportunities report and reported to management in a timely manner and are linked to the group's emergency response plan. For example, if extreme weather causes the closure of branches and the interruption of property viewing services, the group's emergency command system is activated to coordinate online service resources to fill the gap and provide support. Information related to climate risk management in the industry, green building knowledge, and green opportunity identification are included into employee training to cultivate a climate risk management culture.

Greenhouse Gas Emissions

This table discloses the measurement approach, inputs and reasons for the Company's greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). It includes Scope 1 (petrol consumption for the Group's cars) and Scope 2 (purchased electricity for offices and branches). tCO₂e = tonnes of carbon dioxide equivalent

Greenhouse Gas emission Scope	Measurement Approach	Inputs	Reason for Approach, inputs	Gross Emissions (tCO ₂ e) Year 2025	Gross Emissions (tCO ₂ e) Year 2024	Contractual Instruments (Scope 2)
Scope 1 (Direct)	Checking Petrol consumption bills	Petrol consumption data from company's cars emission factor from local authorities	reflects actual fuel use under operation	190	240	Not applicable
Scope 2 (Indirect)	Checking utility bills from office and branches	Electricity consumption data from utility bills for offices and branches	location-based ensures comparability across reporting periods	270	1,140	None
	Location-based method	grid emission factors from local authorities				

Environmental, Social and Governance Report



ENVIRONMENTAL (Continued) Greenhouse Gas Emissions (Continued)

The Group's that only provides agency services and do not own, develop, or manage properties. There is not much GHG emissions except those disclosed in Scope 1 and Scope 2 of greenhouse gas (GHG) emissions. Therefore, Scope 3 greenhouse gas (GHG) emissions is immaterial. Other use of resources have been disclosed in section named "Resource Consumption" of this report.

Climate-related transition risks

The Company is unable to disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.

Climate-related physical risks

The Company is unable to disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.

Climate-related opportunities

The Company is unable to disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.

Further to the disclosure in the sections above, the reason that the amount and percentage of assets or business activities vulnerable to the climate-related physical risks and transition risks and aligned with opportunities cannot be quantified because customers will consider various factors during acquisition of a property not only climate factor.

Capital deployment

The Company is unable disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities which are integrated into existing business budgets of the Group.

Internal carbon prices

As at the date of the annual report, the Group did not apply carbon price in decision-making. The Group did not use price of each metric tonne to assess the costs of its greenhouse gas emissions.

Remuneration

The Group has not incorporated climate-related considerations into its remuneration policy, primarily due to the nature of the company's business because employees' remuneration is generally related to the amount of property transactions completed and climate-related risks and opportunities have a limited impact on employee performance.

Environmental, Social and Governance Report

ENVIRONMENTAL (Continued)

Climate-related targets

The Group's climate-related targets are mitigation measures, with the core objective of reducing the negative impact on the climate on an annual basis.

This is achieved through measures such as optimizing resource use and improving energy efficiency, thereby reducing greenhouse gas emissions.

The Group currently has no specific climate-related targets (such as greenhouse gas emission reduction quotas, mandatory energy efficiency standards, etc.) that are legally or legally required to be met.

Total electricity consumption (tCO₂e) per year and total petrol consumption (tCO₂e) per year are used as metrics when setting targets.

As disclosed in the "Statement From The Board" of this report, the Group has set emission targets to maintained at the level of previous year for current year in relation to the total GHG emission, non-hazardous waste and use of resources with an approximate 5% reduction target for each financial year. Such target applies to the Group in its entirety annually. The target is an absolute target, nevertheless; if the business of the Group expands significantly, the target will be adjusted. The progress towards the target is measured by comparing the previous financial year with the current financial year.

There is no milestones nor interim target. By reducing emissions from petrol consumption and purchased electricity, we support jurisdictional commitments toward a low-carbon future.

The target and the methodology for setting the target was not validated by a third party. The ESG working team together with the human resources department and administration department suggested the target based on historical data on resource use, energy consumption and emissions. The ESG working team collected the data from the HR and administration department and reviewed the alignment of the target with the annual plan of the Group. As disclosed above, total electricity consumption (tCO₂e) per year and total Petrol consumption (tCO₂e) per year are used to monitor progress towards reaching the target.

As at the date of the annual report, there is no revisions on the target.

The comparative figures shown in the boxes for the preceding financial year and for this financial year in this report reflected the emissions of the Group has reduced and reached the target mentioned in the "Statement From The Board".

Both Scope 1 (petroleum consumption) and Scope 2 (purchased electricity) greenhouse gas emissions are covered by the target which is a gross greenhouse gas emissions target. The target was not derived using a sectoral decarbonisation approach.

As at the date of this annual report, the Group does not have planned use of carbon credits to offset greenhouse gas emissions. The Group prioritizes reducing greenhouse gas emissions through its own operational optimization and energy-saving.

Environmental, Social and Governance Report



SOCIAL

Employment and Labour Practices

Employment

The Group always regards the employees as its most important asset. The Group from time to time reviews its policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, and other benefits and welfare of the employees.

The Company recruits and promotes employees on an open and fair basis without regard to age, nationality, race, religion, sexual orientation, marital status, pregnancy, disability and political beliefs. The Company enters employment contracts with all employees of the Company in the PRC and Hong Kong. The Company also has employee handbook to set out employment policies of the Company.

Competitive remuneration packages are structured to commensurate with individual's job duties, qualification, performance and years of experience. The level of compensation of the employees is reviewed regularly based on the employees' performance and market standard. The Group rewards and recognises the good performance of the employees by providing a competitive remuneration package, performance bonus and share option scheme.

The Group also provides various employee benefits to the employees, such as insurance, medical cover, and subsidised training programme.

We also encourage employees at all levels to express their views and make suggestions to the Company in order to achieve a good and fair working environment.

The Group's practices and policies strictly comply with relevant laws, regulations, and other administrative rules and measures applicable in the PRC and Hong Kong relating to recruitment, labour relations, remuneration, welfare, rights and entitlement of employees.

We also comply with the social security laws and regulations in the PRC and the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The Group paid social insurances and mandatory provident fund contribution for all the staff in accordance with the legal requirements.

Employment type	2025 Number of male employees	2025 Number of female employees	2024 Number of male employees	2024 Number of female employees
Regular employees	1,000	1,100	2,000	2,000
Total	1,000	1,100	2,000	2,000

Age	2025 Number of employees	2024 Number of employees
Below 25 years old	100	400
25–29 years old	300	700
30–39 years old	1,100	2,000
40–49 years old	500	800
50 years old or above	100	100
Total number of employees	2,100	4,000

Environmental, Social and Governance Report

SOCIAL (Continued)

Employment and Labour Practices (Continued)

Employment (Continued)

Employment type	2025 Number of employees	2024 Number of employees
Employees in Hong Kong	12	12
Employees in "outside of Hong Kong"	2,088	3,988

The following table shows the retention rate of our employees for 2025 and 2024

	2025	2024
Retention rate (Employees)	89%	92%

The retention rate maintained almost the same level.

Note: Retention rate = (Average number of employees at the end of every month during the period — Average numbers of resignees at the end of every month during the period)/Average numbers of employees at the end of every month during the period. The data was obtained from the Group's human resources department based on the employment contracts entered into between the Group and its employees.

	2025 male	2025 female	2024 male	2024 female
Retention rate (Employees)	87%	90%	91%	92%

	2025 HK	2025 Non-HK	2024 HK	2024 Non-HK
Retention rate (Employees)	100%	89%	100%	92%

	2025 Age 30 or below	2025 Age over 30	2024 Age 30 or below	2024 Age over 30
Retention rate (Employees)	78%	91%	85%	94%

Health and Safety

The Group concerns employees' health and occupational safety. We work hard to provide a safe, healthy and hygienic working environment for employees. The Group has established an office security, safety standards to identify and minimise potential risks in the workplace and provided staff training regularly to impart occupational safety knowledge to its employees such as driving safely. We comply with the laws and regulations on occupational health and safety in the PRC and Hong Kong. During the year ended 31st December, 2025, the Group did not encounter any major accidents during the operation.

For the past three years including year 2025, there were no work-related fatalities.

Environmental, Social and Governance Report



SOCIAL (Continued)

Employment and Labour Practices (Continued)

Health and Safety (Continued)

The number of lost days due to work injury during the following years is set out below:

	2025 days	2024 days
Lost days due to work injury	250	400

Development and Training

In order to better serve and realise the needs of the customers, the Company provides training to the employees to improve the work quality and performance of the employees.

The Group has a comprehensive employee training management system. To encourage employee development, the Company provides human resource trainings, including new graduates training, customised training seminars, to help the employees to be equipped with the knowledge and relevant skills, in particularly in the areas of real estate industry, and marketing skills.

A training scheme known as “星青年” has been launched for 14 years which recruits graduates and provides thorough training including headquarter’s training, on-site sale and marketing training, one-to-one mentor and trainee training.

The senior employees will act as mentors to the new or junior employees. This arrangement not only can provide guidance and on-the-job training to the new and junior employees, but also enhance the communication and team spirit among all levels of the Company.

The Group has been working to support the growth of staff talents for better work performance and the enhancement of knowledge by providing in-house training and on-the-job training for newcomers as disclosed above.

The training hours per full-time employees for 2025 and 2024 are as follows:

	2025 hour	2024 hour
Training hours per full-time employee	8	9

Employees regardless their gender need to attend training. Details of directors’ training have been disclosed in the corporate governance report in this report.

Apart from providing trainings, workshops, seminars and conferences according to the needs of the employees, the Company also from time to time provides updated information about the real estate industry and the relevant laws and regulations to the employees which would affect their responsibilities and duties. We believe that providing training to the employees is beneficial to both the personal growth and development of the employees and the sustainability of the Company’s business.

Environmental, Social and Governance Report

SOCIAL (Continued)

Operating Practices

Labour Standards

The Company tolerates neither recruitment of child nor forced labor and has complied with the Labor Contract law of the PRC and the employment law in Hong Kong.

During the Reporting Period, the Group was not aware of any non-compliance incident with PRC and local employment-related laws and regulations in that would have a significant impact on the Group.

During the recruitment process, the Company checks and verifies the documentation proofs of the job applicant's identity, academic qualifications and working experience to avoid child and forced labour. The Group is committed to labor protection, and provides the employees with reasonable remuneration and various welfare. The Group enters employment contract with each of its employee in accordance with relevant laws and regulations in the PRC and Hong Kong in order to protect the rights of the employees.

Supply Chain Management

The Group values the good relationship and effective communication with the suppliers.

While selecting the suppliers, the Company considers and assesses the background, qualification, expertise, past experience, financial status, professionalism, business ethics, integrity, and environmental and social responsibility of the suppliers. The Group manages the supply chain in a socially and environmentally responsible manner. The Group also chooses suppliers that meet the Group's corporate, environmental and social responsibility requirements. For example, in the course of selecting suppliers, we assess whether the materials used by the suppliers in the activities are hazardous to the environment.

During the cooperation with the suppliers, the Company has built up continuous communication with suppliers. The Group discusses with the suppliers about the routine operation and how to make improvement.

The Group is always improving the supplier management system through continuous quality control, supervision, and assessment. The Company will review the performance of the existing suppliers and may source alternative suppliers if necessary.

During the review year, the Group worked with approximate 25 suppliers, of which 5 located in Hong Kong, and 20 located in the PRC.

Suppliers disclosed in this section are those providing papers and toners to the Group which are not specific to the Group's business.

Product Responsibility

The Group aims to provide services to its customers by the highest possible standard. The Group has established relevant policies which cover service quality, intellectual property, advertising and privacy.

The number of complaint cases during the following years is set out below:

	2025 number	2024 number
Complaint cases	10	29

Regarding service quality, the Company confirms the property information and details with customers to make sure that the property meets the customers' requirements. The Company also actively provides valued-added services to the customers such as mortgage referral and loan financing services. If there is any complaint from customers, the Company immediately assess the complaint, conducts an internal investigation, and finds the reasonable solution to settle the problem. The Group has close connection with customers and provides sufficient channels of communication between the customers and the Company.

During the review year, there were no services being recalled for safety and health reasons.

Environmental, Social and Governance Report



SOCIAL (Continued)

Operating Practices (Continued)

Product Responsibility (Continued)

The Company encourages all employees to protect the “HOPEFLUENT” brand. Employees and developers are encouraged to report any suspected intellectual property rights infringement. The Company will take corresponding anti-infringement actions.

The Company strictly complies with the advertising law of the PRC and Hong Kong. The Group requires that employees of sales department must provide customers with accurate and true information on property being promoted.

Regarding privacy and confidentiality protection, the Company employees are obligated to retain in confidence all information obtained in connection with their employment, including, but not limited to, trade secrets, know-how, client’s information and personal data, supplier information and other proprietary and confidential information. We also maintain security systems to prevent the unauthorised access of confidential information.

During the year ended 31st December, 2025, the Group complies with relevant laws governing the confidentiality of data and intellectual property, including but not limited to Hong Kong Intellectual Property Law, Patent Law of the PRC, Trademark Law of the PRC and Copyright Law of the PRC.

Anti-corruption

We do not tolerate bribery, extortion, fraud and money laundering. The Group complies with the Prevention of Bribery Ordinance in Hong Kong and relevant legislation on anti-corruption and anti-bribery in the PRC. The Group has code of conduct about anti-corruption under standards known as “Sunshine Action” and strongly prohibits corruption, and bribery behaviour of the employees. In the cases of conflict of interest or suspected bribery, the employees must declare the conflict of interest and report the matters to the Group’s management. Employees are strictly prohibited to use business opportunities, power or personal position for personal interest or benefit.

During the review year, the Group has provided anti-money laundering training to the staff.

The Group has whistleblowing policy and anti-corruption policy and standards for all levels and operation known as “Sunshine Action” standards. The Group also provides anti-corruption training to all staff, demand all employees to build a habit of strict compliance with policies and procedures, and to prevent all bribery. The Group has “Sunshine Action” in place which including ways for reporting any concerns about malpractices or improprieties. If employees have any relevant concerns, they can report to the Group, via email, telephone or letter. A full investigation will then be conducted by “Sunshine Action” team, disciplinary action will be applied to the employees involved upon confirmation of the occurrence, and further legal action may be taken depending on the nature and particular circumstances of each case.

During the financial year, no legal cases regarding corrupt practices brought against the issuer or its employees.

Community

Community Investment

The Group always makes contribution to the communities and society in order to create a harmonious, beautiful and peaceful community.

The Group will also actively encourages employees to take part in volunteering activities to contribute to our society and environment. The Group’s Hopefluent volunteer team has been established by the staff members from various functions and departments of the Group (including those from its subsidiaries) on a voluntary basis. There are about 80 members in the team. They are committed to care for the elderly, and other vulnerable groups in different regions by organising and participating in different activities, such as poverty alleviation, gift distribution, e.g. gifts distribution in Chinese New Year.

During the year under review, our staff and volunteers carried out targeted activities such as material donation to the elderly.

The volunteer team of the Group participated in environmental protection activities, such as tree planting day activity and shared about environmental protection concept.

Independent Auditor's Report



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永安中心25樓

TO THE SHAREHOLDERS OF HOPEFLUENT GROUP HOLDINGS LIMITED

合富輝煌集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Hopefluent Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 67 to 131, which comprise the consolidated statement of financial position as at 31st December, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report



KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Recoverability of accounts receivable</i></p> <p>At 31st December, 2025, the Group's accounts receivable amounted to HK\$438 million (2024: HK\$564 million), net of allowance for doubtful debts of HK\$440 million (2024: HK\$414 million) as disclosed in note 22 to the consolidated financial statements, representing 48% (2024: 52%) of the current assets of the Group.</p> <p>Loss allowances for accounts receivable are based on management's estimate of the lifetime expected credit losses ("ECLs") to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue accounts receivable, customers' repayment history and customers' credit rating, financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgment.</p> <p>Independent professional valuer is engaged to assist the assessment of ECL allowance for accounts receivable.</p> <p>Assessment of the recoverability of accounts receivable and recognition of ECL allowance are inherently subjective and requires significant management judgment, hence, we identified the recoverability of accounts receivable as key audit matter.</p>	<p>Our procedures in relation to the recoverability of accounts receivable included, amongst others:</p> <ul style="list-style-type: none">• Assessing, on a sample basis, whether items in the accounts receivable report were classified within the appropriate ageing bracket by comparing individual items in the report with the relevant invoices;• Considering the appropriateness of the ECL loss allowance recorded against accounts receivable, with reference to the ageing of accounts receivable balances, economic conditions, concentration of counterparty risk and past history of debt recovery;• Evaluating the competency, capabilities and objectivity of the independent professional valuer of the Group;• Obtaining external valuation report and meeting with external valuers to understand the results of their work;• Involving our internal valuation experts to evaluate the management of the Group's judgment in assessing the valuation's key assumptions and methodology in deriving the ECL; and• Reviewing subsequent settlement records and challenging management regarding their reasons for not considering a provision against any unsettled past-due balances.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Recoverability of loan receivables</i></p> <p>As at 31st December, 2025, the carrying amount of loan receivables was HK\$206 million (2024: HK\$216 million), net of allowance on loan receivables of HK\$397 million (2024: HK\$362 million) as disclosed in note 21 to the consolidated financial statements, representing 14% (2024: 12%) of the total assets of the Group. As at 31st December, 2025, the carrying amounts of loan receivables of HK\$63 million (2024: HK\$95 million) were receivable in more than one year. The loans bear fixed interest rates ranging from 4% to 10% (2024: from 4% to 10%) per annum.</p> <p>Loss allowances for loan receivables are based on management's estimate of the 12 months ("12m") ECL to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue loan receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgment.</p> <p>Independent professional valuer is engaged to assist the assessment of ECL allowance for loan receivables.</p> <p>Assessment of the recoverability of loan receivables and recognition of ECL allowance are inherently subjective and requires significant management judgment, hence, we identified the recoverability of loan receivables as a key audit matter.</p>	<p>Our procedures in relation to the recoverability of loan receivables included, amongst others:</p> <ul style="list-style-type: none">• Obtaining an understanding on how the allowance on loan receivables is estimated by the management and assessing the management's process in determining the estimated future cash flows of loan receivables;• Checking the ageing analysis, on a sample basis, against repayment terms set out on loan agreements and subsequent settlements of the loan receivables, on a sample basis, to the source documents, including bank statements;• Identifying any loan receivables with delay in payments during the year from the register of loan receivables and evaluating the management's assessment of the recoverability of each of these loan receivables with reference to the status of each of these individual borrowers and the Group's debt collection actions;• Assessing the reasonableness of allowance on loan receivables with reference to the credit history including individual's personal credit rating reports, delay in payments, interest settlement records, subsequent settlements and ageing analysis of the loan receivables;• Evaluating the historical accuracy of the management's assessment of impairment for loan receivables, on a sample basis, by examining the actual write-offs, the reversals of previous recorded allowance and new allowances recorded in the current year in respect of loan receivables at the end of the previous financial year;• Reviewing the appropriateness of ECL three-stage model and ECL allowance against loan receivables and challenging management regarding their reasons for not considering a lifetime ECL against any credit-impaired balances;• Obtaining external valuation report and meeting with external valuers to understand the results of their work; and• Involving our internal valuation experts to evaluate the management of the Group's judgment in assessing the valuation's key assumptions and methodology in deriving the ECL.

Independent Auditor's Report



OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standard issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applies.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Ip Ka Ming

Practising Certificate Number: P08322

Hong Kong, 26th March, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st December, 2025



	NOTES	2025 HK\$'000	2024 HK\$'000
Revenue	6	599,381	947,435
Other income	8	6,883	16,185
Change in fair value on investment properties		(11,709)	(775)
Selling expenses		(577,319)	(880,013)
Administrative expenses		(259,867)	(317,242)
Other gains and losses, net	11	(292)	(7,129)
Allowance recognised on financial assets	11	(25,076)	(24,193)
Loss on disposal of investment properties		(15,092)	(644)
Gain on disposal of subsidiaries		–	558
Share of result of an associate		(32)	–
Impairment of goodwill		(11,198)	–
Finance costs	9	(5,993)	(13,592)
Loss before tax		(300,314)	(279,410)
Income tax credit	10	4,927	5,817
Loss for the year	11	(295,387)	(273,593)
Other comprehensive (expense)/income			
<i>Item that may not be reclassified subsequently to profit or loss:</i>			
Loss on property revaluation, net of tax		(12,055)	(928)
Exchange differences on translating to presentation currencies		68,889	(65,840)
		56,834	(66,768)
Total comprehensive expense for the year		(238,553)	(340,361)
Loss for the year attributable to:			
Owners of the Company		(299,566)	(279,925)
Non-controlling interests		4,179	6,332
		(295,387)	(273,593)
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(243,374)	(344,990)
Non-controlling interests		4,821	4,629
		(238,553)	(340,361)
Loss per share			
— Basic and diluted	15	HK\$44.4 cents	HK\$41.5 cents

Consolidated Statement of Financial Position

As at 31st December, 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Investment properties	16	89,056	121,043
Property, plant and equipment	17	127,659	159,641
Right-of-use assets	18	41,796	56,593
Goodwill	19	–	10,960
Interests in an associate and a joint venture	20	524	–
Loan receivables	21	62,653	95,049
Other receivables and deposits	23	1,676	2,901
Deferred tax assets	31	209,046	200,344
		532,410	646,531
CURRENT ASSETS			
Accounts receivable	22	438,342	564,005
Loan receivables	21	143,017	120,717
Other receivables, deposits and prepayments	23	174,050	176,845
Amount due from a joint venture	24	15,471	14,812
Financial assets at fair value through profit or loss ("FVTPL")	25	3,290	5,531
Bank balances and cash	26	141,081	210,526
		915,251	1,092,436
CURRENT LIABILITIES			
Payables and accruals	27	127,818	123,699
Contract liabilities	28	29,836	30,649
Lease liabilities	18	19,594	23,289
Tax liabilities		25,002	28,847
Bank and other borrowings	29	88,889	122,872
		291,139	329,356
NET CURRENT ASSET			
		624,112	763,080
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,156,522	1,409,611

Consolidated Statement of Financial Position

As at 31st December, 2025



	NOTES	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Lease liabilities	18	16,932	26,139
Deferred tax liabilities	31	70,201	93,594
Bank and other borrowings	29	19,728	–
		106,861	119,733
CAPITAL AND RESERVES			
Share capital	30	6,741	6,741
Share premium and reserves		1,028,953	1,272,327
Equity attributable to owners of the Company		1,035,694	1,279,068
Non-controlling interests		13,967	10,810
TOTAL EQUITY			
		1,049,661	1,289,878
		1,156,522	1,409,611

The consolidated financial statements on pages 67 to 131 were approved and authorised for issue by the board of directors on 26th March, 2026 and are signed on its behalf by:

Fu Wai Chung
DIRECTOR

Lo Yat Fung
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2025

	Attributable to owners of the Company									Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (note a)	Statutory surplus reserve HK\$'000 (note b)	Translation reserve HK\$'000	Property revaluation reserve HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
At 1st January, 2024	6,741	416,637	32,613	173,352	(222,419)	15,966	1,180,999	1,603,889	7,025	1,610,914
Other comprehensive (expense)/income for the year	-	-	-	-	(64,137)	(928)	-	(65,065)	(1,703)	(66,768)
(Loss)/profit for the year	-	-	-	-	-	-	(279,925)	(279,925)	6,332	(273,593)
Total comprehensive (expense)/income for the year	-	-	-	-	(64,137)	(928)	(279,925)	(344,990)	4,629	(340,361)
Lapse of share option	-	-	(15,916)	-	-	-	15,916	-	-	-
Equity-settled share-based payments	-	-	20,169	-	-	-	-	20,169	-	20,169
Cancellation of share option	-	-	(20,686)	-	-	-	20,686	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(844)	(844)
Transfer	-	-	-	6,997	-	-	(6,997)	-	-	-
At 31st December, 2024 and 1st January, 2025	6,741	416,637	16,180	180,349	(286,556)	15,038	930,679	1,279,068	10,810	1,289,878
Other comprehensive (expense)/income for the year	-	-	-	-	68,247	(12,055)	-	56,192	642	56,834
(Loss)/profit for the year	-	-	-	-	-	-	(299,566)	(299,566)	4,179	(295,387)
Total comprehensive (expense)/income for the year	-	-	-	-	68,247	(12,055)	(299,566)	(243,374)	4,821	(238,553)
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(1,664)	(1,664)
Transfer	-	-	-	1,113	-	-	(1,113)	-	-	-
At 31st December, 2025	6,741	416,637	16,180	181,462	(218,309)	2,983	630,000	1,035,694	13,967	1,049,661

Note a: Special reserve

The special reserve of the Group includes (i) an amount of HK\$5,760,000 (2024: HK\$5,760,000) representing the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of the subsidiaries acquired pursuant to the Group reorganisation in 2004; and (ii) an amount of HK\$10,420,000 (2024: HK\$10,420,000) representing the difference between the consideration paid in acquisition of additional interests in subsidiaries from the non-controlling shareholders and the adjustment to the non-controlling interests in subsidiaries net with the translation reserve and retained profits during the year ended 31st December, 2017.

Note b: Statutory surplus reserve

As stipulated by the relevant laws and regulations of the People's Republic of China (the "PRC"), the Group's subsidiaries in the PRC shall set aside 10% of their profit after taxation for the statutory surplus reserve until the statutory surplus reserve reaches 50% of the registered capital of the respective subsidiaries. The reserve can only be used, upon approval by the board of directors of the PRC subsidiaries and by the relevant authority, to offset accumulated losses or increase capital.

Consolidated Statement of Cash Flows

For the year ended 31st December, 2025



	NOTES	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(300,314)	(279,410)
Adjustments for:			
Depreciation of property, plant and equipment	17	15,686	14,597
Depreciation of right-of-use assets	18	27,864	31,659
Allowance recognised on accounts receivable		7,183	33,215
Allowance recognised/(reversed) on loan receivables		17,893	(9,022)
Finance costs		5,993	13,592
Change in fair value of investment properties		11,709	775
Loss on disposal of property, plant and equipment		897	7,963
Loss on disposal of investment properties		15,092	644
Gain on disposal of financial assets at FVTPL		(784)	(443)
Gain on disposal of subsidiaries		–	(558)
Fair value changes of financial assets at FVTPL		179	(391)
Impairment of goodwill		11,198	–
Share-based payments		–	20,169
Share of result of an associate		32	–
Interest income		(622)	(2,456)
Operating cash flows before movements in working capital		(187,994)	(169,666)
Decrease/(increase) in accounts receivable		140,270	(38,656)
Decrease in loan receivables		1,365	81,745
Decrease in other receivables, deposits and prepayments		11,198	128,172
Decrease in accruals, payables and contract liabilities		(3,020)	(11,717)
Cash used in operations		(38,181)	(10,122)
PRC income tax paid		(24,977)	(10,459)
NET CASH USED IN OPERATING ACTIVITIES		(63,158)	(20,581)

Consolidated Statement of Cash Flows

For the year ended 31st December, 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
INVESTING ACTIVITIES			
Interest received		622	2,456
Proceeds from disposal of property, plant and equipment		2,311	25,809
Proceeds from disposal of investment properties		33,006	15,316
Investment in an associate		(543)	–
Purchase of property, plant and equipment		(8,615)	(3,907)
Net cash inflow on disposal of subsidiaries		–	106
Decrease/(increased) in financial assets at FVTPL		2,846	(1,148)
NET CASH GENERATED FROM INVESTING ACTIVITIES		29,627	38,632
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings raised		19,560	38,587
Repayment of bank and other borrowings		(38,848)	(78,478)
Payment of lease liabilities		(29,174)	(39,658)
Interest paid		(3,667)	(9,954)
Distribution to non-controlling interests		(1,664)	(844)
NET CASH USED IN FINANCING ACTIVITIES		(53,793)	(90,347)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		210,526	298,659
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		17,879	(15,837)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
Represented by bank balances and cash		141,081	210,526
Note:			
Interest received in operating activities		14,877	8,817

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



1. GENERAL

Hopefluent Group Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of its registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars while the functional currency of the Company is Renminbi (“RMB”). The directors selected Hong Kong dollars as the presentation currency because the shares of the Company are listed on the Stock Exchange.

The Company is an investment holding company. Particulars of the principal activities of its subsidiaries are set out in note 41.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of new or amended HKFRS Accounting Standards

The following new or amended HKFRS Accounting Standards are mandatory for the first time for the financial year beginning 1 January 2025, but have no material effect on the Company’s reported results and financial position for the current and prior accounting periods.

Amendments to HKAS 21	Lack of Exchangeability
Amendments to HKFRS Accounting Standards	Disclosures about uncertainties in the Financial Statement

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective

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

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.

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. 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 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. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The adoption of HKFRS 18 will not affect the recognition or measurement of items in the consolidated financial statements. It mainly has impacts on presentation and disclosure of income and expenses and adds new disclosure requirement on management-defined performance measures within the consolidated financial statements. So far, the Group considers that the impact of these new and amended standards on the Group’s results of operations and financial position will not be material.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of accounting

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS Accounting Standards”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at FVTPL which 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 or 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 *Share-based Payment*, 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 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair-value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



3. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of tangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit (the "CGU") to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGU, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Revenue recognition

Revenue from real estate agency services is recognised at a point in time when the service is rendered and (a) the property buyer has executed the sales and purchase agreement and made the required down-payment to the relevant property developers or (b) the sales and purchase agreement has been registered with the relevant government authorities according to the terms and conditions stated in different agency contracts. Based on terms and conditions in agency contracts and customary industry practice, real estate agency service income is not required to return to property sellers when the property buyers have made the required payments to the relevant property developers which became non-refundable.

Revenue from mortgage referral and other financial service income is recognised at a point in time when the service is rendered and the individual parties or entities have signed legally binding agreements with customers, since only by that time the Group has an enforceable right to payment for the services performed.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial assets.

Rental income, including rental invoiced in advance from properties under operating leases, is recognised on a straight-line basis over the period of the relevant leases.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established

(d) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of asset within the time frame established by regulation or convention in the marketplace concerned.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial asset and is included in the "other gains and losses" line item.

(ii) *Equity instruments designated as at FVOCI*

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including accounts and loan receivables, other receivables, amount due from a joint venture and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts receivable. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Unless identified at initial recognition, the management considered loan receivables are unimpaired and without significant increase in credit risk on which a 12m ECL is recognised. Loan receivables are deemed to have suffered a significant increase in credit risk since initial recognition when they are 30 days past due and are transferred from stage 1 to stage 2 on which a lifetime ECL is recognised. For loan receivables past due over 91 days, they are considered to be credit-impaired and are transferred from stage 2 to stage 3.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the probability of default, loss given default for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flows obligation. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset (accounts receivable) is more than 365 days past due considering the time duration of property transaction process unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of rental receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

The measurement of ECL on accounts receivable and loan receivables are assessed on an individual basis for customers with good credit rating or with high credit risk, and the remaining is assessed collectively using provision matrix. The Group uses a practical expedient in estimating ECL on those assets using a provision matrix taking into consideration historical settlement pattern, past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of rental receivables where the corresponding adjustment is recognised through a loss allowance account.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the FVOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible loan notes, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including payables and accruals, amount due to an associate and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



4. OTHER ACCOUNTING POLICIES

(a) Basis of consolidation

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

4. OTHER ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date (except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value). Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



4. OTHER ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

4. OTHER ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

(b) Investments in an associate/a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint venture are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's and the joint venture's accounting policies to those of the Group. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



4. OTHER ACCOUNTING POLICIES (Continued)

(b) Investments in an associate/a joint venture (continued)

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(c) Contract liabilities

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers.

(d) Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options/shares granted at the grant date is recognised as an expense in full at the grant date when the share options/shares granted vest immediately, with a corresponding increase in equity (share options reserve).

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

4. OTHER ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use in the supply of services or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognized in other comprehensive income and accumulated in properties revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

(f) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets upon application of HKFRS 16 and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values adjusted to exclude any prepaid or accrued operating lease income.

All of the Group's land and buildings and rights of use assets (where the Group is a lessee) held to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

(g) Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



4. OTHER ACCOUNTING POLICIES (Continued)

(g) Leasing (Continued)

The Group as a lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of property that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

4. OTHER ACCOUNTING POLICIES (Continued)

(g) Leasing (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



4. OTHER ACCOUNTING POLICIES (Continued)

(h) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(i) Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

4. OTHER ACCOUNTING POLICIES (Continued)

(j) Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received,

Government grants related to income that are receivables as compensation for expenses or losses already incurred or for the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

(k) Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the “MPF Scheme”) are recognised as expenses when employees have rendered service entitling them to the contributions.

(l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates, and joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



4. OTHER ACCOUNTING POLICIES (Continued)

(l) Taxation (Continued)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(m) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker including executive directors and senior management ("CODMs") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

PRC enterprise income tax and deferred taxation

The Group is subject to income taxes in Mainland China. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, estimate and judgment based on currently enacted tax laws, regulations and other related policies are required in determining the provision of income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will have impact on the income tax and tax provision in the period in which the differences realise.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

Impairment of accounts receivable, loan receivable, other receivables and amount due from a joint venture

The loss allowances for accounts receivable, loan receivable, other receivables and amount due from a joint venture are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 39(b).

Fair value measurements and valuation processes

The Group's certain assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of investment properties and certain types of financial instruments. Notes 16 and 39c provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has recognised the deferred taxes on changes in fair value of investment properties as the Group is subject to enterprise income tax ("EIT").

6. REVENUE

Revenue represents agency commission in respect of property real estate agency services, financial services income and interest income from loan receivables, net of business tax and other taxes. An analysis of the Group's revenue for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Disaggregation of revenue		
Revenue from contracts with customers within the scope of HKFRS 15		
Agency commission	588,220	923,849
Revenue from other sources out of the scope of HKFRS 15		
Finance income		
Interest income from loan receivables	11,161	20,862
Financial services income	–	2,724
	599,381	947,435
Timing of revenue recognition		
At a point in time		
Agency commission	588,220	923,849
Financial services income	–	2,724
Over-time		
Interest income from loan receivables	11,161	20,862
	599,381	947,435

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

7. SEGMENT INFORMATION

Operating segments and the amounts of each segment item reported in the consolidated financial statements are identified from the financial information provided regularly to the Group's top management for the purposes of allocating resources to and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of business activities.

Segment revenue, expenses, results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment, but exclude exceptional items. Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year. Corporate portions of expenses and assets mainly comprise corporate administrative and financing expenses and corporate financial assets respectively.

The Group has the following operating segments during the year ended 31st December, 2025. These segments are managed separately. No operating segments have been aggregated to the following reportable segments.

- Property real estate agency is the provision of first hand real estate services and secondary real estate services to property developers corporates and individuals; and
- Financial services is the provision of mortgage referral and loan financing services to individuals or companies.

Geographical information

The Company is domiciled in the Cayman Islands while the Group operates its business in mainland China and all its revenue is derived in the mainland China. Accordingly, no geographical information on the total revenue is presented.

At the end of each reporting period, the non-current assets are substantially located in the PRC.

Information about major customers

There was no revenue from any customer that contributed over 10% of total revenue of the Group for both financial years presented.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

7. SEGMENT INFORMATION (Continued)

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

For the year ended 31st December, 2025

	Property real estate agency HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment revenue	588,220	11,161	599,381
Segment (loss)/profit	(218,995)	1,914	(217,081)
Other income			6,883
Central administrative costs			(20,724)
Other gains and losses, net			(292)
Allowance recognised on financial assets			(25,076)
Share of result of an associate			(32)
Loss on disposal of investment properties			(15,092)
Impairment of goodwill			(11,198)
Decrease in fair value of investment properties			(11,709)
Finance costs			(5,993)
Loss before tax			(300,314)

For the year ended 31st December, 2024

	Property real estate agency HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment revenue	923,849	23,586	947,435
Segment loss	(200,851)	(6,904)	(207,755)
Other income			16,185
Central administrative costs			(42,065)
Other gains and losses, net			(7,129)
Allowance recognised on financial assets			(24,193)
Gain on disposal of a subsidiary			558
Loss on disposal of investment properties			(644)
Decrease in fair value of investment properties			(775)
Finance costs			(13,592)
Loss before tax			(279,410)

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

7. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as the Group's other accounting policies described in note 4. Total segment revenue represents the Group's consolidated turnover as set out in the consolidated statement of profit or loss and other comprehensive income. Segment profit represents the profit earned by each segment without allocation of other income, central administrative costs including directors' emoluments, other gains and losses, allowance recognized on financial assets, loss on disposal of investment properties, gain on disposal of a subsidiary, share of result of an associate, change in fair value of investment properties and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

As the Group's segment assets and liabilities are not regularly reviewed by the CODMs, the measure of total assets and liabilities for each operating segment is therefore not presented.

Other segment information

2025

	Property real estate agency HK\$'000	Financial services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to non-current assets	27,391	–	–	27,391
Depreciation of property, plant and equipment	14,831	41	814	15,686
Depreciation of right-of-use assets	23,755	4,109	–	27,864
Allowance recognised on financial assets				
— accounts receivable	5,644	1,539	–	7,183
— loan receivables	–	17,893	–	17,893
	5,644	19,432	–	25,076
Other gains and losses, net				
loss on disposal of property, plant and equipment	890	7	–	897
gain on fair value changes of financial assets at FVTPL	–	–	179	179
gain on disposal of financial assets at FVTPL	–	–	(784)	(784)
	890	7	(605)	292

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



7. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

2024

	Property real estate agency HK\$'000	Financial services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to non-current assets	26,579	–	1,275	27,854
Depreciation of property, plant and equipment	11,214	202	3,181	14,597
Depreciation of right-of-use assets	27,945	3,714	–	31,659
Allowance recognised on financial assets				
— accounts receivable	34,133	(918)	–	33,215
— loan receivables	–	(9,022)	–	(9,022)
	34,133	(9,940)	–	24,193
Other gains and losses, net				
loss on disposal of property, plant and equipment	7,963	–	–	7,963
gain on fair value changes of financial assets at FVTPL	–	–	(391)	(391)
gain on disposal of financial assets at FVTPL	–	–	(443)	(443)
	7,963	–	(834)	7,129

8. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Rental income, net of direct expenses of HK\$509,000 (2024: HK\$818,000)	4,121	6,619
Other services income	447	1,054
Bank interest income	622	2,456
Government grants (note)	1,693	6,056
	6,883	16,185

Note: The amount represents government grants received from various PRC government authorities in connection with the enterprise development support, fiscal subsidy and various tax incentives, which had no conditions imposed by the respective PRC government authorities.

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on:		
— Bank borrowings	997	2,495
— Other borrowings	2,670	7,459
— Lease liabilities	2,326	3,638
	5,993	13,592

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

10. INCOME TAX CREDIT

	2025 HK\$'000	2024 HK\$'000
Current tax:		
— PRC Enterprise Income tax ("EIT")	7,960	583
Deferred tax (note 31):		
— Deferred tax assets	(2,802)	(12,515)
— Deferred tax liabilities	(10,085)	6,115
	(4,927)	(5,817)

Under the Law of the PRC on EIT and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards. Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

PRC withholding income tax of 10% is levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1st January, 2008.

No Hong Kong profits tax has been provided in both years in the consolidated financial statements as the Group has no estimated assessable profits arising in Hong Kong for both years.

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(300,314)	(279,410)
Tax at the applicable rate of 25%	(75,078)	(69,852)
Tax effect of expenses not deductible for tax purposes	59,401	60,613
Tax effect of income not taxable for tax purposes	(5,501)	(9,503)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	1,356	894
Tax effect of tax loss not recognised	23,652	29,865
Utilisation of tax loss previously not recognised	(8,757)	(17,834)
Income tax credit for the year	(4,927)	(5,817)

Details of deferred tax are set out in note 31.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



11. LOSS FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after charging/(crediting):		
Directors' remuneration, including retirement benefits scheme contributions and share-based payments (note 12)	8,152	21,638
Other staff costs	542,128	702,694
Share-based payments to employees (excluding directors)	–	9,093
Other retirement benefits scheme contributions	32,143	42,035
Total staff costs	582,423	775,460
Auditor's remuneration		
— Audit and audit related work	1,990	2,800
— Non-audit work	300	300
	2,290	3,100
Depreciation expense for the year		
— Property, plant and equipment (note 17)	15,686	14,597
— Right-of-use assets (note 18)	27,864	31,659
	43,550	46,256
Allowance recognised/(reversed) on financial assets		
— Accounts receivable	7,183	33,215
— Loan receivables	17,893	(9,022)
	25,076	24,193
Loss on disposal of property, plant and equipment	897	7,963
Loss/(gain) on fair value changes of financial assets at FVTPL	179	(391)
Gain on disposal of financial assets at FVTPL	(784)	(443)
Other gains and losses, net	292	7,129

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

12. DIRECTORS' EMOLUMENTS (INCLUDING CHIEF EXECUTIVE)

Directors' and chief executive's remuneration for both years, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance is as follows:

For the year ended 31st December, 2025

	Executive Directors			Independent Non-executive Directors			Non-executive Directors			Total	
	Mr. Fu Wai Chung (Chairman) (note i) HK\$'000	Mr. Gao Bin (President) (note ii) HK\$'000	Mr. Lo Yat Fung HK\$'000	Mr. Cao Qimeng HK\$'000	Mr. Lam King Pui HK\$'000	Ms. Xu Jing HK\$'000	Mr. Fu Ear Ly (note iii) HK\$'000	Mr. Huang Peng (note iv) HK\$'000	Mr. Li Fuqiang (note v) HK\$'000		Mr. Li Bo (note vi) HK\$'000
Fees	-	-	-	120	228	120	-	27	90	90	675
Salaries and other benefits	2,791	363	2,470	-	-	-	1,800	-	-	-	7,424
Retirement benefits scheme contributions	-	17	18	-	-	-	18	-	-	-	53
Total emoluments	2,791	380	2,488	120	228	120	1,818	27	90	90	8,152

For the year ended 31st December, 2024

	Executive Directors				Independent Non-executive Directors			Non-executive Directors		Total
	Mr. Fu Wai Chung (Chairman) HK\$'000	Mr. Gao Bin (President) HK\$'000	Mr. Lo Yat Fung HK\$'000	Mr. Zhu Rongbin (note vii) HK\$'000	Mr. Cao Qimeng HK\$'000	Mr. Lam King Pui HK\$'000	Ms. Xu Jing HK\$'000	Mr. Fu Ear Ly HK\$'000	Mr. Huang Peng HK\$'000	
Fees	-	-	-	-	120	228	120	-	70	538
Salaries and other benefits	2,630	1,975	2,520	919	-	-	-	1,800	-	9,844
Share-based payments (note viii)	-	4,684	-	6,392	-	-	-	-	-	11,076
Retirement benefits scheme contributions	-	136	18	8	-	-	-	18	-	180
Total emoluments	2,630	6,795	2,538	7,319	120	228	120	1,818	70	21,638

Notes:

- (i) Mr. Fu Wai Chung succeeded Mr. Zhu Rongbin as the chairman with effective from 31st May, 2024.
- (ii) Mr. Gao Bin resigned as an executive director and president with effective from 21st March, 2025.
- (iii) Mr. Fu Ear Ly ceased to be vice chairman with effective from 31st May, 2024.
- (iv) Mr. Huang Peng appointed as a non-executive director with effective from 31st May, 2024 and resigned as a non-executive director with effective from 21st March, 2025.
- (v) Mr. Li Fuqiang has been appointed as a non-executive director with the effect from 21st March, 2025.
- (vi) Mr. Li Bo has been appointed as a non-executive director with the effect from 21st March, 2025.
- (vii) Mr. Zhu Rongbin resigned as an executive director on 31st May, 2024.
- (viii) Share-based payments represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the accounting policies for equity-settled share-based payment transactions as set out in note 4 to the consolidated financial statements. Further details of the options granted are set out in note 35 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



12. DIRECTORS' EMOLUMENTS (INCLUDING CHIEF EXECUTIVE) (Continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group, the non-executive directors' emoluments shown above were for their services as directors of the Company and the independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The Group also provided rent-free accommodation to Mr. Fu Wai Chung for the years ended 31st December, 2025 and 2024. The estimated monetary value of the rental involved, amounted to HK\$840,000 (2024: HK\$840,000).

For both 2025 and 2024, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. No directors waived any emoluments for both 2025 and 2024.

13. FIVE HIGHEST PAID EMPLOYEES

During the year ended 31st December, 2025, the five individuals whose emoluments were the highest in the Group for the year included three (2024: four) directors whose emoluments are reflected in the analysis shown in note 12. The emoluments of the remaining two for the year ended 31st December, 2025 was as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	3,077	1,808
Share-based payments	–	270
Retirement benefits scheme contributions	105	26
	3,182	2,104

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follow:

	2025	2024
HK\$1,000,001 to HK\$1,500,000	1	–
HK\$1,500,001 to HK\$2,000,000	1	–
HK\$2,000,001 to HK\$2,500,000	–	1

14. DIVIDENDS

The directors of the Company did not recommend the payment of any dividend for the year ended 31st December, 2025 (2024: nil).

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For the year ended 31st December, 2025

15. LOSS PER SHARE

(a) Basic

	2025 HK\$'000	2024 HK\$'000
Loss for the purpose of calculating basic loss per share (loss for the year attributable to owners of the Company)	299,566	279,925
Number of shares		
	2025 '000	2024 '000
Weighted average number of ordinary shares in issue	674,150	674,150
	2025	2024
Basic loss per share (HK cents per share)	44.4	41.5

(b) Diluted

The basic and diluted loss per share were the same for the year ended 31st December, 2025 as there was no dilutive potential ordinary shares existed during the year ended 31st December, 2025.

The basic and diluted loss per share were the same for the year ended 31st December, 2024 as the effect of share options outstanding were anti-dilutive.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



16. INVESTMENT PROPERTIES

	HK\$'000
FAIR VALUE	
At 1st January, 2024	120,377
Exchange adjustments	(3,940)
Additions	1,275
Disposals	(15,960)
Net decrease in fair value recognised in profit or loss	(775)
Transfer from property, plant and equipment (note 17)	35,124
Transfer to property, plant and equipment (note 17)	(14,130)
Net increase in fair value recognised in other comprehensive income	(928)
At 31st December, 2024 and 1st January, 2025	121,043
Exchange adjustments	4,568
Disposals	(48,098)
Net decrease in fair value recognised in profit or loss	(11,709)
Transfer from property, plant and equipment (note 17)	35,307
Net decrease in fair value recognised in other comprehensive income	(12,055)
At 31st December, 2025	89,056

	2025 HK\$'000	2024 HK\$'000
Unrealised loss on property revaluation included in profit or loss (included in change in fair value of investment properties)	(11,709)	(775)

The investment properties of the Group are held under medium term land use rights in the PRC.

All of the Group's properties held to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

During the year ended 31st December, 2025, rental income of HK\$4,121,000 (2024: HK\$6,619,000) and rental yield of 4.63% (2024: 5.46%) were generated from the investment properties.

There were no transfer into or out of Level 3 during the year.

The fair values of the Group's investment properties at 31st December, 2025 and 2024 have been arrived at on the basis of a valuation carried out on that date by BMI Appraisals Limited ("BMI"), an independent qualified valuer not connected to the Group. BMI is a member of the Institute of Valuers. The fair value was determined based on the direct comparison approach, where assuming sales in their existing states with the benefit of vacant possession and by making reference to market evidence of transaction prices for similar properties in the same locations and conditions. There has been no change from the valuation technique used in prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use, which does not differ from their actual use.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

16. INVESTMENT PROPERTIES (Continued)

One of the key inputs used in valuing the investment properties was the market price per square meter using direct market comparable and taking into account the differences between the investment properties and the comparable in terms of age, time, location, floor level and other relevant factors, ranging from RMB4,000 to RMB57,000 (2024: ranging from RMB6,000 to RMB67,000) per square meter. An increase in the market price per square meter will result in a same level increase in fair value of the investment properties, and vice versa.

	Valuation technique	Key inputs	Sensitivity
Residential units			
Guangdong	Direct comparison	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature and location of the property, which ranging from RMB4,000 to RMB57,000 (2024: ranging from RMB6,000 to RMB67,000) per square metre ("sqm").	A decrease in the market unit rate used would result in a decrease in fair value, and vice versa.
Commercial units			
Guangdong	Direct comparison	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature and location of the property, which ranging from RMB8,000 to RMB54,000 (2024: ranging from RMB12,000 and RMB62,000) per sqm.	A decrease in the market unit rate used would result in a decrease in fair value, and vice versa.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK\$'000	Leasehold improvements HK\$'000	Office equipment, furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST					
At 1st January, 2024	153,767	524,706	104,020	41,433	823,926
Exchange adjustments	(4,612)	(18,503)	(8,161)	(958)	(32,234)
Additions	–	2,507	339	1,061	3,907
Transfer from investment properties (note 16)	14,130	–	–	–	14,130
Transfer to investment properties (note 16)	(35,124)	–	–	–	(35,124)
Disposal of subsidiaries	–	(567)	(504)	(3,324)	(4,395)
Disposals	(29,532)	(9,311)	(7,169)	(6,097)	(52,109)
At 31st December, 2024 and 1st January, 2025	98,629	498,832	88,525	32,115	718,101
Exchange adjustments	5,633	16,859	3,693	1,021	27,206
Additions	5,978	2,078	44	515	8,615
Transfer to investment properties (note 16)	(35,307)	–	–	–	(35,307)
Disposals	(275)	(240,919)	(15,407)	(7,107)	(263,708)
At 31st December, 2025	74,658	276,850	76,855	26,544	454,907
DEPRECIATION					
At 1st January, 2024	19,487	474,626	55,043	29,094	578,250
Exchange adjustments	(1,081)	(10,748)	(1,152)	499	(12,482)
Disposal of subsidiaries	–	(561)	(365)	(2,642)	(3,568)
Provided for the year	1,249	9,038	2,127	2,183	14,597
Disposals	–	(6,820)	(6,037)	(5,480)	(18,337)
At 31st December, 2024 and 1st January, 2025	19,655	465,535	49,616	23,654	558,460
Exchange adjustments	527	14,651	(2,172)	596	13,602
Provided for the year	452	7,972	6,069	1,193	15,686
Transfer	–	(12,775)	17,229	(4,454)	–
Disposals	(9)	(240,919)	(13,514)	(6,058)	(260,500)
At 31st December, 2025	20,625	234,464	57,228	14,931	327,248
CARRYING AMOUNTS					
At 31st December, 2025	54,033	42,386	19,627	11,613	127,659
At 31st December, 2024	78,974	33,297	38,909	8,461	159,641

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the term of the leases or 40 years, whichever is shorter
Leasehold improvements	Over the term of the leases or 5 years, whichever is shorter
Office equipment, furniture and fixtures	20%
Motor vehicles	20%

The leasehold land and buildings of the Group are held under medium term land use rights in the PRC.

As at 31st December, 2025, the certificate of ownership in respect of certain buildings of the Group in the PRC with carrying amount of HK\$34,880,000 (2024: HK\$45,269,000) have not been issued by the relevant PRC authority.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

18. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases shop premises for its operation. Lease contracts are entered into for term of 1 year to 8 years (2024: 1 year to 8 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Right-of-use assets	Leasehold land and buildings HK\$'000
COST	
At 1st January, 2024	287,147
Exchange adjustments	(1,442)
Additions	22,672
At 31st December, 2024 and 1st January, 2025	308,377
Exchange adjustments	13,158
Additions	18,776
Derecognition	(15,117)
At 31st December, 2025	325,194
DEPRECIATION	
At 1st January, 2024	220,846
Exchange adjustments	(721)
Provided for the year	31,659
At 31st December, 2024 and 1st January, 2025	251,784
Exchange adjustments	12,251
Provided for the year	27,864
Derecognition	(8,501)
At 31st December, 2025	283,398
CARRYING AMOUNTS	
At 31st December, 2025	41,796
At 31st December, 2024	56,593

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For the year ended 31st December, 2025



18. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Lease liabilities	Leasehold land and buildings HK\$'000
At 1st January, 2024	62,984
Exchange adjustments	(208)
Additions	22,672
Interest expense	3,638
Payments	(39,658)
At 31st December, 2024 and 1st January, 2025	49,428
Exchange adjustments	1,869
Additions	18,776
Derecognition	(6,699)
Interest expense	2,326
Payments	(29,174)
At 31st December, 2025	36,526

Analysed by:

	2025 HK\$'000	2024 HK\$'000
Current	19,594	23,289
Non-current	16,932	26,139
	36,526	49,428

	2025 HK\$'000	2024 HK\$'000
Depreciation expense on right-of-use assets	27,864	31,659
Interest expense on lease liabilities	2,326	3,638
Total cash outflow for leases	96,976	115,602
Additions to right-of-use assets	18,776	22,672

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

19. GOODWILL

	HK\$'000
COST	
At 1st January, 2024	11,321
Exchange adjustments	(361)
At 31st December, 2024 and 1st January, 2025	10,960
Provision of impairment	(11,198)
Exchange adjustments	238
At 31st December, 2025	–

For the purposes of impairment testing, goodwill as detailed above has been allocated to the subsidiaries as individual CGU from which goodwill arose. The carrying amount of goodwill as at 31st December, 2025 and 2024 allocated to the unit is as follows:

	2025 HK\$'000	2024 HK\$'000
Provision of primary real estate agency services in the PRC ("Unit A")	–	10,960

The recoverable amount of the CGU has been determined based on a value in use calculations. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and a discount rate 16.01% for Unit A (2024: 14.99%). The set of cash flows beyond five-year period are extrapolated using a growth rate of 2% (2024: a growth rate of 3%), as determined by management. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include commission income of Unit A and respective profit margin, such estimation is based on unit's past performance and management's expectations for the market development. Based on the assessment of the recoverable amount of Unit A for the year ended 31st December, 2025, given overall downturn in the real estate market and tough competition in the property real estate agency industry, the recoverable amount of the CGU is less than the goodwill's carrying amount, the Group made an impairment loss of approximately HK\$11,198,000 (2024: Nil).

20. INTERESTS IN AN ASSOCIATE AND A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Interests in an associate and a joint venture	524	–

The directors of the Company consider that the investments in an associate and a joint venture as at 31st December, 2025 and 2024 were not significant to the Group and thus the individual financial information of the investment accounted for using the equity method was not disclosed.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

21. LOAN RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Fixed-rate loan receivables, net of allowance	205,670	215,766
Analysed as:		
Current	143,017	120,717
Non-current	62,653	95,049
	205,670	215,766

At 31st December, 2025, loan receivables of HK\$205,511,000 (2024: HK\$213,347,000) are unsecured. The carrying amounts of HK\$62,653,000 (2024: HK\$95,049,000) are classified as non-current loan receivables and are recoverable by instalments within 2 to 3 years (2024: 2 to 4 years). During the year ended 31st December, 2025, the Group had granted loans to 915 (2024: 916) customers with principal amount ranging from RMB1,000 to approximately RMB35,000,000 (2024: RMB1,000 to RMB35,000,000) per loan. As at 31st December, 2025, loan receivables bear fixed interest rates ranging from 4% to 10% per annum (2024: 4% to 10% per annum). During the year, HK\$11,161,000 (2024: HK\$20,862,000) of interest income was recognised from the loan receivables.

All of the loan receivables are guaranteed by independent property owners or entities. Details of the assessment of the creditworthiness of the individuals or entities are set out in note 39b.

Movement in the allowance on loan receivables

	12m ECL HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000
At 1st January, 2024	20,253	362,999	383,252
Exchange adjustments	(618)	(11,421)	(12,039)
Allowance recognised on receivables, net	(1,332)	(7,690)	(9,022)
As at 31st December, 2024 and 1st January, 2025	18,303	343,888	362,191
Exchange adjustments	697	15,798	16,495
Allowance recognised on receivables, net	(5,198)	23,091	17,893
At 31st December, 2025	13,802	382,777	396,579

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22. ACCOUNTS RECEIVABLE

The Group allows an average credit period ranging from 30 to 180 days (2024: 30 to 180 days) to its customers. The ageing analysis of accounts receivable net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
0-30 days	93,518	162,709
31-60 days	5,578	22,225
61-90 days	13,403	15,241
91-120 days	6,212	11,317
121-180 days	6,540	12,493
Over 180 days	313,091	340,020
	438,342	564,005

Included in the Group's accounts receivable balance are debtors with aggregate carrying amount of HK\$11,985,000 (2024: HK\$20,061,000) which are past due as at the reporting date for which the Group has not provided for impairment loss because management is of the opinion that the fundamental credit quality of these customers has not deteriorated.

Before accepting any new customer, the Group assesses the potential customer's credit quality. The credit quality is reviewed periodically. Majority of the accounts receivable that are neither past due nor impaired have no default payment history. The Group does not hold any collateral over these balances.

The following table shows the movement in ECL that has been recognised for accounts receivable under simplified approach.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit-impaired) HK\$'000	Total HK\$'000
At 1st January, 2024	48,504	345,429	393,933
Exchange adjustments	(2,473)	(10,807)	(13,280)
Allowance recognised on receivables, net	43,434	(10,219)	33,215
As at 31st December, 2024 and 1st January, 2025	89,465	324,403	413,868
Exchange adjustments	4,212	14,342	18,554
Allowance recognised on receivables, net	10,593	(3,410)	7,183
At 31st December, 2025	104,270	335,335	439,605

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23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Prepayments for property marketing projects	20,783	15,999
Rental deposits	12,371	15,677
Advances to staffs	15,626	21,118
Security deposit (note (i))	21,453	18,969
Other receivables and deposits (note (ii))	105,493	107,983
	175,726	179,746
Less: Non-current portion		
Rental deposits	1,676	2,901
Current portion	174,050	176,845

Notes:

- (i) The amounts mainly represent security deposits paid by the Group to property developers enabling the Group to carry out the property real estate agency services in the primary market projects, which will be released to the Group at the earlier of (i) period agreed in the respective agreements; or (ii) upon the respective agreements.
- (ii) Included in other receivables as at 31st December, 2025, deposit for acquiring of investment properties approximately of HK\$50,000,000 (2024: HK\$47,872,000).

24. AMOUNT DUE FROM A JOINT VENTURE

The amount is non-trade nature, unsecured, interest-free and repayable on demand. In the opinion of the directors of the Company, the amount is expected to be recovered within twelve months from the end of the reporting period.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	2025 HK\$'000	2024 HK\$'000
— Listed equity securities issued in Hong Kong	3,290	5,531

26. BANK BALANCES AND CASH

Bank balances and cash comprises cash held by the Group and short-term bank deposits that are interest-bearing at market interest rate ranging from 0.01% to 0.65% p.a. (2024: 0.01% to 3.85% p.a.) and have original maturity of three months or less.

For the years ended 31st December, 2025 and 2024, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparties are insignificant and accordingly no allowance for credit losses is provided.

As at 31st December, 2025, included in bank balances and cash of the Group approximately HK\$122,449,000 (2024: approximately HK\$179,787,000) of bank balances denominated in RMB are placed with the banks in the PRC. Remittance of funds out of mainland China is subjected to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

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For the year ended 31st December, 2025

27. PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Accrued other taxation	16,326	19,892
Accrued operating expenses	33,057	31,440
Temporary receipts from customers	12,653	14,411
Accrued staff costs	38,439	35,012
Other payables and accruals (note)	27,343	22,944
	127,818	123,699

Note: Other payables and accruals mainly comprise of deposit received on behalf of property developers of approximately HK\$27,343,000 (2024: HK\$22,944,000).

28. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities in respect of third parties	29,836	30,649

The contract liabilities of the Group mainly arise from the advance payments received from customers which the underlying services are not yet provided. The contract liabilities are recognised as revenue after the Group satisfies its performance obligations to the customers.

Movement in contract liabilities

	2025 HK\$'000	2024 HK\$'000
At 1st January	30,649	21,489
Decrease as a result of recognising revenue	(27,584)	(19,770)
Increase as a result of receiving advance payments	26,852	29,387
Exchange adjustments	(81)	(457)
At 31st December	29,836	30,649

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29. BANK AND OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings	19,728	37,766
Other borrowings	88,889	85,106
	108,617	122,872
The maturity of the bank and other borrowings is analysed as follows:		
Within 1 year	88,889	122,872
Between 1 year to 2 years	19,728	–
	108,617	122,872
Less: Amounts due within 1 year shown under current liabilities	(88,889)	(122,872)
Amounts due after 1 year shown under non-current liabilities	19,728	–

As at 31st December, 2025, bank borrowings approximately of HK\$19,728,000 (2024: HK\$37,234,000) of the Group were secured by certain of the Group's property, plant and equipment and investment properties. Details of pledge of assets are set out in note 33.

The Group's bank and other borrowings carry interest at both variable and fixed rates and effective interest rates on the Group's borrowings are as follows:

	2025 HK\$'000	2024 HK\$'000
Effective interest rate:		
Fixed-rate bank borrowings range from 2.5% to 2.8% p.a. (2024: 3.4% to 3.9% p.a.)	19,728	37,766
Fixed-rate other borrowings at 6.0% p.a. (2024: 6.0% p.a.)	88,889	85,106
	108,617	122,872

As at 31st December, 2025, the Group's borrowings are denominated in RMB (2024: RMB).

30. SHARE CAPITAL

	Number of shares	Nominal amounts HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1st January, 2024, 31st December, 2024, 1st January, 2025 and 31st December, 2025	8,000,000,000	80,000
Issued and fully paid:		
At 1st January, 2024, 31st December, 2024, 1st January, 2025 and 31st December, 2025	674,149,989	6,741

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For the year ended 31st December, 2025

31. DEFERRED TAX ASSETS/(LIABILITIES)

The deferred tax assets/liabilities recognised by the Group and the movements thereon during the current and prior years are as follows:

	Provision for doubtful debts HK\$'000	Revenue recognised for accounting purpose but not for tax purpose HK\$'000	Fair value of investment properties HK\$'000	Accelerated tax depreciation HK\$'000	Total HK\$'000
At 1st January, 2024	194,296	(61,300)	(8,076)	(24,535)	100,385
Credited/(charged) to profit or loss	12,515	(17,831)	194	23,752	18,630
Exchange adjustments	(6,467)	(6,835)	254	783	(12,265)
At 31st December, 2024 and 1st January, 2025	200,344	(85,966)	(7,628)	–	106,750
Credited to profit or loss	2,802	4,144	5,941	–	12,887
Exchange adjustments	5,900	13,515	(207)	–	19,208
At 31st December, 2025	209,046	(68,307)	(1,894)	–	138,845

At 31st December, 2025, the Group's PRC subsidiaries had unused tax losses of HK\$292,683,000 (2024: HK\$233,268,000) not recognised available for offset against future profits.

In addition, the Group (other than its subsidiaries in the PRC) had unused tax losses of HK\$185,761,000 (2024: HK\$185,505,000) available for offset against future profits. Such unrecognised tax losses may be carried forward indefinitely.

No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1st January, 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$2,817,762,000 (2024: HK\$3,017,041,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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For the year ended 31st December, 2025

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Bank and other borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1st January, 2024	167,253	62,984	230,237
Changes from cash flows:			
New bank and other borrowings raised	38,587	–	38,587
Repayment of bank and other borrowings	(78,478)	–	(78,478)
Payment of lease liabilities	–	(39,658)	(39,658)
Interest paid	(9,954)	–	(9,954)
Total changes from financing activities	(49,845)	(39,658)	(89,503)
Other changes:			
Foreign exchange	(4,490)	(208)	(4,698)
Interest expenses	9,954	3,638	13,592
New leases	–	22,672	22,672
Total other changes	5,464	26,102	31,566
At 31st December, 2024 and 1st January, 2025	122,872	49,428	172,300
Changes from cash flows:			
New bank borrowings raised	19,560	–	19,560
Repayment of borrowings	(38,848)	–	(38,848)
Payment of lease liabilities	–	(29,174)	(29,174)
Interest paid	(3,667)	–	(3,667)
Total changes from financing activities	(22,955)	(29,174)	(52,129)
Other changes:			
Foreign exchange	5,033	1,869	6,902
Interest expenses	3,667	2,326	5,993
Derecognition	–	(6,699)	(6,699)
New leases	–	18,776	18,776
Total other changes	8,700	16,272	24,972
At 31st December, 2025	108,617	36,526	145,143

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For the year ended 31st December, 2025

33. PLEDGE OF ASSETS

The Group had pledged the following assets for bank borrowings of the Group:

	2025 HK\$'000	2024 HK\$'000
Investment properties	36,811	61,170
Property, plant and equipment	1,207	5,259
	38,018	66,429

34. OPERATING LEASES

The Group as lessee

The Group made minimum lease payments under operating leases in respect of office premises and shops of HK\$67,802,000 (2024: HK\$75,944,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	36,221	57,762

The Group has certain leases of shops with lease terms of 12 months or less. The Group applies the "short-term lease" recognition exemptions for these leases and the future minimum lease payments regarding these leases are disclosed as above.

The Group as lessor

Property rental income earned during the year was HK\$4,121,000 (2024: HK\$6,619,000). All of the investment properties held have committed tenants for the next 1 to 8 years (2024: 1 to 7 years).

At the end of the reporting periods, the Group had contracted with tenants for the following future minimum lease payments:

	2025 HK\$'000	2024 HK\$'000
Within one year	2,539	3,938
In the second to fifth year inclusive	6,385	5,392
Over five years	2,090	1,415
	11,014	10,745

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35. SHARE OPTIONS SCHEME

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 23 May 2023 (the "Scheme") to achieve this purpose. The eligible participants mainly include employees of the Group, Directors, the directors of any member of the group, the directors and employees (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since 23 May 2023.

The options may be exercised within the period commencing from the date of grant of the option and expiring on the date following 10 years from the date of grant of the options subject to terms under the Scheme. The vesting period for options shall be determined by the board (the "Board") and in any case, shall not be less than twelve (12) months. A shorter vesting period may be granted at the discretion of the Board in certain circumstances. The Board and/or the remuneration committee may determine in its absolute discretion and set any performance target or impose any condition, restriction or limitation in relation to the vesting of the options.

The offer of the grant of share options under the Scheme may be accepted within 30 days after the date of the offer, at a consideration of HK\$1, payable by the grantee upon the acceptance of the offer.

The subscription price of the share options is determinable by the Directors, but shall be the highest of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) business days immediately preceding the date of grant; and (iii) the 90% of the average closing price as stated in the daily quotations sheets of the Stock Exchange for the twenty (20) business days immediately preceding the date of grant.

Pursuant to the Scheme, the maximum number of shares in the Company in respect of which options may be granted when aggregated with any other share option scheme of the Company must not exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme (i.e. 67,414,998 shares). Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may refresh the limit to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting.

Unless shareholder approval has been obtained, no option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12-month period up to and including the date of grant exceeding 1% of total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting. Such participant and his associate (as defined in the Listing Rules) have to abstain from voting and/or comply with other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's shares in issue within any 12-month period must be approved in advance by the Company's shareholders.

Subject to the compliance of the requirements under the Scheme, the share options are exercisable only if the eligible participants remain in the service of the Group from the grant date of the share options up to the designated exercise date.

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35. SHARE OPTIONS SCHEME (Continued)

On 16 June 2023, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 67,380,000 shares of the Company at the exercise price of HK\$1.85 per share. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

In May 2024, Mr. Zhu Rongbin (“Mr. Zhu”) resigned from the position of an executive director of the Company, the Chairman of the Board and the member and chairman of the nomination committee of the Company. Following the resignation of Mr. Zhu and one employee, 30,340,000 options granted to Mr. Zhu and 3,370,000 options granted to the specific employee lapsed, resulting approximately HK\$15,916,000 being transferred out of the special reserve. Please refer to the announcement issued by the Company dated 31 May 2024 for the details.

Because of the exercise prices of the share options outstanding are much higher than the market price of the shares of the Company (the “Shares”), the Board consider that the share options no longer serve the purpose of providing incentives or rewards to the grantee for contribution to the Group. Following the approval of the Board, 33,670,000 outstanding share options granted to a Director and certain employees of the Company were cancelled with effect from 1 November 2024 in accordance with the term of the Scheme resulting approximately HK\$4,570,000 was recognised to profit or loss immediately and approximately HK\$20,686,000 being transferred out of the special reserve. Please refer to the announcement issued by the Company dated 1 November 2024 for the details.

For the year ended 31 December 2024, the total number of options lapsed and cancelled are 33,710,000 and 33,670,000 respectively, resulting approximately HK\$15,916,000 and HK\$20,686,000 being transferred out of the special reserve respectively.

At 31 December 2025, the total number of the Shares that may be issued in respect of options granted under the Share Option Scheme amounting of nil divided by the weighted average of Shares of the relevant class in issue amounting of 674,149,989 was approximately nil%.

As at the date of this annual report, the total number of shares of the Company available for issue under the Scheme (i.e. options can be granted) was 67,414,998 Shares (31 December 2024: 67,414,998 Shares), representing approximately 10% (2024: 10%) of the issued share capital of the Company as of the date thereof. The number of shares available for future grant under the mandate of the Scheme is 67,414,998 (31 December 2024: 67,414,998).

The fair value of options granted on 16 June 2023 under the Scheme determined using the Binomial Option Pricing model was approximately HK\$41,648,000. The significant inputs into the model were share price of HK\$1.85, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility is 41.29%, annual risk-free interest rate of 3.53%. Expected life of options of approximately 10 years and dividend yield of 4.26%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 16 June 2013 to 15 June 2023. During the year ended 31 December 2025, approximately HK\$nil (2024: HK\$20,169,000) were charged to profit or loss.

During the year ended 31 December 2025 and 2024, no option was granted by the Company under the Scheme. No option was exercised, cancelled or lapsed during the year ended 31 December 2025. The Company did not have any outstanding share option as at 31 December 2025 and 31 December 2024.

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36. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. MPF Scheme is a defined contribution scheme in accordance with the principle of Mandatory Provident Fund Scheme Ordinance. The Group contributes 5% of relevant payroll costs which limited to HK\$18,000 (2024: HK\$18,000) per annum of each individual employee to the Scheme, where contribution is matched by employees. Any forfeited contributions in respect of unvested benefits of staff leavers will be used to reduce the Group's contributions. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The contributions paid and payable to the schemes by the Group in respect of the year which were charged to profit or loss amounted to HK\$32,196,000 (2024: HK\$42,215,000).

37. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the consolidated financial statements, the Group had no material transactions with related parties during the year (2024: Nil).

Compensation of key management personnel

The remuneration of key management during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Fees, salaries and other benefits	8,099	10,382
Share-based payments	–	11,076
Retirement benefits scheme contributions	53	180
	8,152	21,638

The remuneration of key management including directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

38. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

As consistent with industry practice, the Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total assets.

The gearing ratio as at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Total liabilities	398,000	449,089
Total assets	1,447,661	1,738,967
Gearing ratio	27.49%	25.83%

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39. FINANCIAL INSTRUMENTS

39a. Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Amortised cost	905,508	1,118,083
FVTPL	3,290	5,531
Financial liabilities		
Amortised cost	141,673	154,312
Lease liabilities	36,526	49,428

39b. Financial risk management objectives and policies

The Group's major financial instruments include accounts receivable, amount due from a joint venture, loan receivables, other receivables and deposits, financial assets at FVTPL, bank balances and cash, payables, lease liabilities and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The main risks arising from the Group's financial instruments in the normal course of the Group's business are market risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group does not have significant exposures to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective subsidiaries. The Group does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its significant foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group is not exposed to fair value interest rate risk as all loan receivables and bank and other borrowings bear fixed interest rate.

The Group is not exposed to cash flow interest rate risk in relation to variable-rate bank balances because these balances carry interest at prevailing rates and they are of short maturity.

The Group currently does not have any interest rate hedging policy in relation to fair value interest rate risk and cash flow interest rate risk. The directors monitor the Group's exposure on ongoing basis and will consider hedging the interest rate should the need arise.

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39. FINANCIAL INSTRUMENTS (Continued)

39b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by closely monitoring the price fluctuation of the investment. As at 31st December, 2025, the Group's equity price risk is mainly concentrated on the equity instruments operating in different industry sectors listed on the Hong Kong Stock Exchange.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the prices of the equity instrument had been 5% (2024: 5%) higher/lower and all other variables were held constant for the year ended 31st December, 2025, the Group's post-tax profit and equity for the year would have increased/decreased by HK\$164,000 (2024: HK\$277,000) as a result of the changes in fair value of financial assets at FVTPL.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

Credit risk

As at 31st December, 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 100% (2024: 100%) of the total loan receivables, accounts receivable and amount due from a joint venture as at 31st December, 2025. The Group also has concentration of credit risk as 10.25% (2024: 10.07%) and 3.66% (2024: 2.98%) of the total accounts receivable was due from the Group's five largest customers and the largest customer, respectively, whom are within the property real estate agency segment with good reputation and satisfactory repayment history. For the financial services business, the largest borrower accounted for approximately 46.59% (2024: 42.59%) and the five largest borrowers accounted for approximately 67.99% (2024: 68.65%) in terms of the Group's total outstanding loan receivables of approximately HK\$206 million (2024: HK\$216 million) as at 31st December, 2025.

For the amount due from a joint venture as disclosed in note 24, the management of the Group closely monitors the financial position and repayment status of the joint venture, and considers that the credit risk is limited.

Other than concentration of credit risk on loan receivables, accounts receivable and amount due from a joint venture, the Group does not have any other significant concentration of credit risk.

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For the year ended 31st December, 2025

39. FINANCIAL INSTRUMENTS (Continued)

39b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. With respect to the microcredit business, the Group has delegated a team responsible for determination of credit limits and credit approvals. The team monitors customers' repayment ability and requests the customers to provide guarantees. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for accounts receivable. The management of The Group performs impairment assessment on individual debtors basis to estimate the amount of lifetime ECL of accounts receivable based on internal credit rating, ageing, repayment history and/or past due status of respective debtors. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.

An impairment loss under ECL model, net of reversal, of approximately HK\$439,605,000 (2024: HK\$413,868,000) is recognised for accounts receivable for the year ended 31st December, 2025. Details of the quantitative disclosure are set out below in this note.

The management of the Group performs impairment assessment on individual debtor basis to estimate the amount of ECL of loan receivables based on internal credit rating, ageing, collateral, repayment history and/or past due status of respective receivables and adjusted for forward-looking information. An aggregate amount of impairment for the ECL of loan receivables of approximately HK\$396,579,000 (2024: HK\$362,191,000) was recognised as at 31st December, 2025.

The Group's internal credit risk grading assessment comprises following categories:

Internal credit rating level	Description	Accounts receivable	Other financial assets
High	The counterparty has good ability of repayment, but may infrequently settle after due date.	Lifetime ECL — not credit-impaired	12m ECL
Medium	The counterparty has enough ability of repayment, but may settle in full after due date.	Lifetime ECL — not credit-impaired	12m ECL
Low	There is evidence indicating the asset is credit-impaired.	Lifetime ECL — credit-impaired	Lifetime ECL — credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



39. FINANCIAL INSTRUMENTS (Continued)

39b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for financial assets as at 31st December, 2025:

(a) *Accounts receivable*

	2025			2024
	Average ECL rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Loss allowance HK\$'000
High credit rating				
Current to 90 days	–	15,053	–	–
91–120 days	–	2,332	–	8
121–180 days	0.04	2,483	1	13
Over 180 days	0.09	9,512	9	202
		29,380	10	223
Medium credit rating				
Current to 90 days	1.50	98,934	1,488	2,236
91–120 days	4.22	4,051	171	305
121–180 days	8.81	4,450	392	702
Over 180 days	25.19	405,797	102,209	85,999
		513,232	104,260	89,242
Low credit rating				
Current to 90 days	N/A	–	–	–
91–120 days	N/A	–	–	–
121–180 days	N/A	–	–	–
Over 180 days	100	335,335	335,335	324,403
		335,335	335,335	324,403

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For the year ended 31st December, 2025

39. FINANCIAL INSTRUMENTS (Continued)

39b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

(b) *Loan receivables*

	ECL rate %	2025 Gross carrying amount HK\$'000	Loss allowance HK\$'000	2024 Loss allowance HK\$'000
Stage 1	6.26	219,139	13,714	12,823
Stage 2	26.43	333	88	5,480
Stage 3	100	382,777	382,777	343,888
		602,249	396,579	362,191

(c) *Other receivables, deposits and amount due from a joint venture*

Other receivables, deposits and amount due from a joint venture are considered to have low credit risk and the 12m ECLs were limited. In the opinion of the directors of the Company, the identified impairment loss of those financial assets was immaterial after the assessment.

(d) *Bank balances*

The management of the Group assessed that the Group's bank balances are at low credit risk because they are placed with reputable banks with higher internal credit rating with reference to either international or PRC credit-rating agencies, and ECL is insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings.

In addition to the Group's own capital and earnings to finance the Group's operations, the Group relies on bank and other borrowings as additional source of liquidity. As at 31st December, 2025, the Group has bank borrowings of HK\$19,728,000 (2024: HK\$37,766,000) and other borrowings of HK\$88,889,000 (2024: HK\$85,106,000). Furthermore, as at 31st December, 2025, the Group has unutilised bank facilities of RMB15,221,000 (approximately HK\$16,912,000) (2024: RMB15,000,000 (approximately HK\$15,957,000)).

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39. FINANCIAL INSTRUMENTS (Continued)

39b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity risk tables

	Weighted average interest rate %	On demand or less than 1 month HK\$'000	1-3 months HK\$'000	3 months to 1 year HK\$'000	After 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31.12.2025 HK\$'000
2025							
Non-derivative financial liabilities							
Payables		33,056	–	–	–	33,056	33,056
Lease liabilities	6.00	1,770	3,557	16,574	19,970	41,871	36,526
Bank borrowings — fixed rate	2.63	143	174	1,286	19,328	20,931	19,728
Other borrowings — fixed rate	6.00	91,678	–	–	–	91,678	88,889
		126,647	3,731	17,860	39,298	187,536	178,199

	Weighted average interest rate %	On demand or less than 1 month HK\$'000	1-3 months HK\$'000	3 months to 1 year HK\$'000	After 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31.12.2024 HK\$'000
2024							
Non-derivative financial liabilities							
Payables		31,440	–	–	–	31,440	31,440
Lease liabilities	6.00	2,118	4,257	19,839	31,398	57,612	49,428
Bank borrowings — fixed rate	3.42	111	232	38,349	–	38,692	37,766
Other borrowings — fixed rate	6.00	603	1,145	85,709	–	87,457	85,106
		34,272	5,634	143,897	31,398	215,201	203,740

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

39. FINANCIAL INSTRUMENTS (Continued)

39c. Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

	2025		2024	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
Financial assets				
Financial assets at FVTPL		3,290		5,531
Financial assets measured at amortised cost				
Bank balances and cash	141,081		210,526	
Accounts receivable	438,342		564,005	
Loan receivables	205,670		215,766	
Other receivables and deposits	104,944		112,974	
Amount due from a joint venture	15,471		14,812	
Financial liabilities				
Financial liabilities measured at amortised cost				
Payables	33,056		31,440	
Lease liabilities	36,526		49,428	
Bank and other borrowings	108,617		122,872	

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their corresponding fair values.

Financial assets at FVTPL are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input(s) used).

	Fair value as at 31st December, 2025 HK\$'000	Fair value as at 31st December, 2024 HK\$'000	Fair value hierarchy	Valuation technique(s) and key input(s)
Listed equity securities classified as financial assets at FVTPL	3,290	5,531	Level 1	Quoted bid price in an active market

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025



40. EVENT AFTER THE REPORTING PERIOD

As of the approval date on these financial statements, the Group had no significant events after reporting period which need to be disclosed.

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Group's principal subsidiaries at the end of the reporting period are set out as below:

Name of subsidiary	Place of incorporation/ registration	Class of share held	Nominal value of issued share capital/ registered capital	Attributable effective equity interest held by the Company (note a)		Principal activities	Place of operation
				2025 %	2024 %		
Guangzhou New Profits Investment Consultancy Limited (notes b and c)	The PRC	Registered	RMB1,000,000	100	100	Provision of real estate agency services	The PRC
Hopefluent (BVI) Limited (note b)	British Virgin Islands ("BVI")	N/A	US\$100	100	100	Investment holding	Hong Kong
Guangzhou Hope Profits Properties Agency Limited (notes b and c)	The PRC	Registered	RMB1,000,000	100	100	Provision of real estate agency services	The PRC
Hopefluent (China) Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB109,304,813	100	100	Provision of real estate agency services	The PRC
Hopefluent Properties Limited (note b)	Hong Kong	Ordinary	HK\$100	100	100	Provision of real estate agency services	Hong Kong
Hopefluent Promotion Limited (note b)	Hong Kong	Ordinary	HK\$100	100	100	Provision of advertising and marketing service	Hong Kong
Hopefluent (Hong Kong) Limited (note b)	Hong Kong	Ordinary	HK\$100,000	100	100	Investment holding	Hong Kong
Foshan Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB1,000,000	100	100	Provision of real estate agency services	The PRC
Dongguan Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB1,000,000	100	100	Provision of real estate agency services	The PRC
Guangzhou Hopefluent Financial Services Limited (notes b and c)	The PRC	Registered	RMB201,000,000	100	100	Investment and consultancy services	The PRC
Guangdong Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB5,000,000	100	100	Provision of real estate agency services	The PRC
Shandong Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB2,010,000	100	100	Provision of real estate agency services	The PRC
Anhui Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB20,000,000	100	100	Provision of real estate agency services	The PRC

Notes to the Consolidated Financial Statements

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41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ registration	Class of share held	Nominal value of issued share capital/ registered capital	Attributable effective equity interest held by the Company (note a)		Principal activities	Place of operation
				2025 %	2024 %		
Guizhou Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB1,000,000	100	100	Provision of real estate agency services	The PRC
Guangzhou Chun Wui Investment Consultancy Limited (notes b and c)	The PRC	Registered	HK\$100,000,000	100	100	Investment holding	The PRC
Guangzhou Hopefluent Microcredit Business Limited (notes b and c)	The PRC	Registered	RMB240,000,000	100	100	Provision of Microcredit business	The PRC
Guangzhou Hopefluent Commercial Factoring Limited (notes b and c)	The PRC	Registered	RMB50,000,000	100	100	Provision of financial agency services	The PRC
Guangzhou Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB10,000,000	100	100	Provision of real estate agency services	The PRC
Guangzhou House King Business Services Limited (notes b and c)	The PRC	Registered	RMB5,000,000	100	100	Provision of real estate agency services	The PRC
Guangxi Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB10,000,000	100	100	Provision of real estate agency services	The PRC
Guangzhou Nansha Hopefluent Real Properties Consultancy Limited (notes b and c)	The PRC	Registered	RMB10,000,000	100	100	Provision of real estate agency services	The PRC

Notes:

- (a) The Company directly holds the equity interest in Hopefluent (BVI) Limited. All other interests shown above are indirectly held by the Company.
- (b) The companies are limited liability companies.
- (c) The English name is for identification purposes only.

The above table lists the subsidiaries of the Group as at 31st December, 2025 and 2024 which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025

42. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current Asset		
Unlisted investments in subsidiaries	149,518	149,518
Current Assets		
Other receivables	9,734	9,769
Amounts due from subsidiaries	227,020	228,981
Bank balances and cash	617	447
	237,371	239,197
Current Liability		
Accruals	(11)	(11)
Net Current Assets	237,360	239,186
Total Assets less Current Liability	386,878	388,704
Capital and Reserves		
Share capital (note 30)	6,741	6,741
Share premium and reserves	380,137	381,963
Total Equity	386,878	388,704

Movement in reserves

	Share premium HK\$'000	Contributed surplus reserve (note) HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1st January, 2024	416,637	67,385	16,433	(116,493)	383,962
Lapse of share option	–	–	(15,916)	15,916	–
Equity-settled share-based payments	–	–	20,169	–	20,169
Cancellation of share option	–	–	(20,686)	20,686	–
Loss and other comprehensive expense for the year	–	–	–	(22,168)	(22,168)
At 31st December, 2024 and 1st January, 2025	416,637	67,385	–	(102,059)	381,963
Loss and other comprehensive expense for the year	–	–	–	(1,826)	(1,826)
At 31st December, 2025	416,637	67,385	–	(103,885)	380,137

Note: The contributed surplus reserve of the Company represents the difference between the aggregate net tangible assets of the subsidiaries acquired by the Company under a corporate reorganisation in 2004 and the nominal amount of the Company's shares issued for the acquisition.

Financial Summary

A summary of results, assets and liabilities of the Group for the last five financial years is as follows:

	For the year ended 31st December,				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
RESULTS					
Turnover	7,165,879	1,516,862	1,294,513	947,435	599,381
Loss before tax	(851,692)	(726,198)	(594,160)	(279,410)	(300,314)
Income tax (expense)/credit	98,965	(22,169)	64,742	5,817	4,927
Loss for the year	(752,727)	(748,367)	(529,418)	(273,593)	(295,387)
Attributable to:					
Owners of the Company	(544,799)	(580,377)	(530,950)	(279,925)	(299,566)
Non-controlling interests	(207,928)	(167,990)	1,532	6,332	4,179
	(752,727)	(748,367)	(529,418)	(273,593)	(295,387)

	At 31st December,				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
ASSETS AND LIABILITIES					
Total assets	6,994,101	3,051,020	2,145,066	1,738,967	1,447,661
Total liabilities	(2,881,624)	(816,986)	(534,152)	(449,089)	(398,000)
Total equity	4,112,477	2,234,034	1,610,914	1,289,878	1,049,661
Attributable to:					
Owners of the Company	2,946,673	2,227,896	1,603,889	1,279,068	1,035,694
Non-controlling interests	1,165,804	6,138	7,025	10,810	13,967
	4,112,477	2,234,034	1,610,914	1,289,878	1,049,661