

This announcement is for informational purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the structured products described below.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Non-Collateralised Structured Products

issued by

true friend **Korea Investment**
& Securities Asia Ltd.

Korea Investment & Securities Asia Limited

(“Issuer”)

(incorporated with limited liability in Hong Kong)

Announcement for Publication of Annual Financial Statements

The Issuer has released its financial statements for the year ended 31 December 2025 (“**Annual Financial Statements**”) on 30 April 2026. Copies of the Annual Financial Statements and the independent auditor’s report on such financial statements are included at the end of this announcement. References to page numbers in the Annual Financial Statements are to pages therein and not to pages in this announcement.

This announcement, which includes the Annual Financial Statements and the independent auditor’s report on such financial statements, is also available on our website at <https://kisasiawarrants.com/en/warrant/warrant-announcements>.

Korea Investment & Securities Asia Limited
30 April 2026



**Korea Investment and Securities
Asia Limited**
韓國投資證券亞洲有限公司

Reports and financial statements
for the year ended 31 December 2025

Directors' report

The directors present the annual report together with the audited financial statements of Korea Investment and Securities Asia Limited (the "Company") for the year ended 31 December 2025.

Principal activities

The principal activities of the Company are provision of securities and futures dealing services as well as investment advices to clients, provision of investment and trading supporting services to the immediate holding company and its affiliates, issuing derivative warrants and engaging in proprietary investments.

The Company is licensed by the Securities and Futures Commission to perform the following regulated activities:

Type 1: Dealing in securities

Type 2: Dealing in futures contracts

Type 4: Advising on securities

* For Type 2 regulated activity, the Company is subject to licensing condition that it shall only provide services to professional investors. The term "professional investor" is as defined in the Securities and Futures Ordinance and its subsidiary legislation.

Results and appropriation

The results of the Company for the year ended 31 December 2025 are set out in the statement of profit or loss and other comprehensive income on page 10 -11.

The directors have declared an interim dividend of US\$0.0947 per ordinary share, totaling equally to USD45,000,000 (equivalent to HK\$350,264,970) which was paid during the year. The directors do not recommend the payment of a final dividend.

Share capital

Details of the Company's share capital are set out in Note 27 to the financial statements.

Directors

The directors for the year ended 31 December 2025 and up to the date of this report are:

Lim, Kyung Joon	(Appointed on 21 November 2025)
Lee, Doyeon	(Appointed on 10 February 2026)
Park, Kwonsik	(Appointed on 15 September 2025 and resigned on 10 February 2026)
Joo, Myung	(Resigned on 10 February 2026)
Chun, Sung Woo	(Resigned on 15 September 2025)

In accordance with the Company's Articles of Association, Mr. Lim, Kyung Joon and Mr. Lee, Doyeon will retire and, being eligible, will offer himself for re-election.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts of significance in relation to the Company's business to which Company's fellow subsidiaries or its holding companies was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2025 or at any time during the year.

Directors' interest in the shares and debentures of the Company or any specified undertakings of the Company

At no time for the year ended 31 December 2025 was the Company, its fellow subsidiaries or its holding companies a party to any arrangement to enable the directors of the Company to hold any interests in the shares, or debentures of, the Company or its specified undertakings.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2025.

Business Review

Pursuant to Section 388(3)(b) of the Hong Kong Companies Ordinance (Cap. 622), the Company is exempted from the preparation of a business review as required under Schedule 5 of the Hong Kong Companies Ordinance (Cap.622) as the Company is a wholly owned subsidiary of another body corporate in the financial year.

Permitted indemnity provisions

At no time during the financial year and up to the date of this directors' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company.

Auditor

The financial statements have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is proposed at the Annual General Meeting.

On behalf of the Board



Lim, Kyung Joon
Director

Hong Kong,

30 APR 2026



Independent auditor's report to the member of Korea Investment and Securities Asia Limited

(Incorporated in Hong Kong with limited liability)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Korea Investment and Securities Asia Limited ("the Company") set out on pages 7 to 61, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes comprising material accounting policy information and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 820 (Revised), *The audit of licensed corporations and associated entities of intermediaries*, as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company 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.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.



Independent auditor's report to the member of Korea Investment and Securities Asia Limited (continued)

(Incorporated in Hong Kong with limited liability)

Report on the audit of the financial statements (continued)

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

In addition, the directors are required to ensure that the financial statements are in accordance with the records kept under the Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Securities and Futures (Accounts and Audit) Rules.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and to report to you on the other matters set out in the preceding paragraph, 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 financial statements. In addition, we are required to obtain reasonable assurance about whether the financial statements are in accordance with the records kept under the Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Securities and Futures (Accounts and Audit) Rules.



Independent auditor's report to the member of Korea Investment and Securities Asia Limited (continued)

(Incorporated in Hong Kong with limited liability)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



**Independent auditor's report to the member of
Korea Investment and Securities Asia Limited (continued)**
(Incorporated in Hong Kong with limited liability)

Report on the audit of the financial statements (continued)

**Report on matters under the Securities and Futures (Keeping of Records) Rules
and Securities and Futures (Accounts and Audit) Rules of the Securities and
Futures Ordinance**

In our opinion, the financial statements are in accordance with the records kept under the Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Securities and Futures (Accounts and Audit) Rules.

The engagement partner on the audit resulting in this independent auditor's report is LUK, Hau To (practising certificate number: P08455).



Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 APR 2026

Statement of financial position as at 31 December 2025

(Expressed in Hong Kong dollars)

	Notes	2025 HK\$	2024 HK\$
Assets			
Non-current assets			
Property and equipment	4	15,288	118,796
Intangible assets	5	1,067,158	1,744,893
Right-of-use assets	6(a)	8,200,714	12,301,071
Investment in associate	7	74,680,935	116,668,479
Financial assets measured at amortised cost	8	160,187,879	200,891,195
Statutory deposits	9	119,217,387	355,253,426
Deposits and other assets	10	1,400,249	1,479,701
		364,769,610	688,457,561
Current assets			
Amount due from brokers	11	289,631	426,753,288
Amounts due from immediate holding company	12, 26(a)	2,332,640	646,829
Financial assets measured at amortised cost	8	1,517,530	1,629,239
Financial assets measured at fair value through profit or loss	13	1,066,611,416	939,645,651
Deposits and other assets	10	6,170,416	6,211,331
Cash and cash equivalents			
- General accounts	16(a)	2,502,691,232	2,562,420,467
- Segregated accounts	16(a)	168,709,524	43,204,833
Trade and other receivables	17	37,264,677	50,248,106
		3,785,587,066	4,030,759,744
Total assets		4,150,356,676	4,719,217,305

Statement of financial position as at 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 HK\$	2024 HK\$
Equity			
Equity attributable to the owners of the Company			
Share capital	27	3,700,321,900	3,700,321,900
Retained earnings		84,969,680	367,995,218
Total equity		<u>3,785,291,580</u>	<u>4,068,317,118</u>
Liabilities			
Current liabilities			
Financial liabilities measured at fair value through profit or loss	13	47,699,884	25,210,482
Accrued bonus		4,426,039	10,404,183
Accounts payable and accruals		6,241,113	8,066,331
Amount due to brokers	11	-	312,543,413
Lease liabilities	6(b)	4,097,564	3,916,416
Tax payable	19(a)	-	-
Trade and other payables	18	288,314,613	282,374,707
Total current liabilities		<u>350,779,213</u>	<u>642,515,532</u>

Statement of financial position as at 31 December 2025
(continued)
(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 HK\$	2024 HK\$
Non-current liabilities			
Lease liabilities	6(b)	4,287,091	8,384,655
Pillar Two tax liabilities	19(a)	9,998,792	-
Total non-current liabilities		14,285,883	8,384,655
Total liabilities		365,065,096	650,900,187
Total equity and liabilities		4,150,356,676	4,719,217,305

Approved by the Board of Directors on **30 APR 2026** and signed on behalf of the Board by



Lim, Kyung Joon
Director



Lee, Doyeon
Director

The notes on pages 15 to 61 form part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Notes	2025 HK\$	2024 HK\$
Income			
Fee income	20	33,654,050	67,422,996
Net losses on financial assets and financial liabilities measured at fair value through profit or loss	21	(43,806,679)	(4,580,598)
Net losses on interest in associates		(46,618,504)	(4,284,023)
Dividend income		11,864,564	9,308,263
Interest income	22	61,048,511	46,415,616
		16,141,942	114,282,254
Other net income			
Other interest income	22	35,082,830	81,660,355
Income from money market funds		67,440,735	43,541,570
Exchange gains/(losses), net		29,498,507	(61,818,773)
Other income		5,335	51,918
		132,027,407	63,435,070
Net total income		148,169,349	177,717,324
Expenses			
Staff costs	23	31,552,764	48,655,212
Travelling and entertainment		3,059,202	2,884,118
Information and communication costs		17,471,750	17,856,110
Insurance costs		1,118,606	1,075,952
Depreciation			
- Property and equipment	4	103,508	300,985
- Right-of-use asset	6(a)	4,100,357	4,634,359
Auditor's remuneration			
- Audit fee		1,091,000	1,546,300
- Other services		51,350	45,600
Transaction fees		2,044,036	19,287,613
Commission and transaction fees related to loans and funds		2,167,072	120,023
Other operating expenses		6,459,594	5,246,719
Amortisation expense	5	677,735	873,797
Total expenses		69,896,974	102,526,788
Impairment losses released	8(b)	391,731	665,476

**Statement of profit or loss and other comprehensive income
 for the year ended 31 December 2025 (continued)**

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 HK\$	2024 HK\$
Finance costs			
- Interest paid for bank borrowings and overdraft		45,240	206,143
- Interest expense on lease liabilities		459,648	13,077
		<u>504,888</u>	<u>219,220</u>
Profit before tax		78,159,218	75,636,792
Income tax	24	<u>(10,919,786)</u>	<u>(6,930,170)</u>
Profit and total comprehensive income for the year		<u>67,239,432</u>	<u>68,706,622</u>

The notes on pages 15 to 61 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Note	Share capital HK\$	Retained earnings HK\$	Total HK\$
Balance at 1 January 2024		3,700,321,900	299,288,596	3,999,610,496
Profit and total comprehensive income for the year		-	68,706,622	68,706,622
Balance at 31 December 2024 and 1 January 2025		3,700,321,900	367,995,218	4,068,317,118
Dividend paid	27(c)	-	(350,264,970)	(350,264,970)
Profit and total comprehensive income for the year		-	67,239,432	67,239,432
Balance at 31 December 2025		<u>3,700,321,900</u>	<u>84,969,680</u>	<u>3,785,291,580</u>

The notes on pages 15 to 61 form part of these financial statements.

Statement of cash flows for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 HK\$	2024 HK\$
Operating activities			
Profit before tax		78,159,218	75,636,792
Adjustments for:			
Depreciation	4, 6(a)	4,203,865	4,935,344
Amortisation expense	5	677,735	873,797
Impairment losses released	8(b)	(391,731)	(665,476)
Interest income		(96,131,341)	(128,075,971)
Finance costs		504,888	219,220
Net losses on interest in associates		46,618,504	4,284,023
Net unrealised loss/(gain) on financial assets and financial liabilities measured at fair value through profit or loss		4,441,848	(20,395,419)
Unrealised loss on foreign exchange		39,600,205	41,064,590
Changes in working capital:			
Decrease in financial assets measured at amortised cost		49,442,217	258,749,163
(Increase)/decrease in financial assets measured at fair value through profit or loss		(261,531,638)	38,355,710
(Increase)/decrease in amounts due from immediate holding company		(1,685,811)	5,552,853
Decrease in deposits and other assets		236,297,621	305,533,747
Decrease/(increase) in amount due from brokers		364,386,505	(426,046,487)
Increase in financial liabilities measured at fair value through profit or loss		22,489,402	19,062,283
Decrease in accrued bonus		(5,978,144)	(4,498,346)
Decrease in accounts payable and accruals		(1,825,218)	(4,746,706)
(Decrease)/increase in amount due to brokers		(314,979,515)	312,691,597
Decrease/(increase) in trade and other receivables		154,043,736	(14,954,989)
Decrease in trade and other payables		(126,665,806)	(216,525,743)
Cash generated from operations		191,676,540	251,049,982

Statement of cash flows for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	Notes	2025 HK\$	2024 HK\$
Interest received		108,611,427	138,710,440
Interest paid		(45,240)	(206,143)
Tax paid		(920,994)	(6,289,591)
Net cash generated from operating activities		<u>299,321,733</u>	<u>383,264,688</u>
Investing activities			
Payment for the purchase of fixed assets	4	-	(10,248)
Acquisition of interest in associates		(4,409,934)	(2,943,121)
Net cash used in investing activities		<u>(4,409,934)</u>	<u>(2,953,369)</u>
Financing activities			
Interest element of lease rentals paid	16(b)	(459,648)	(13,077)
Capital element of lease rentals paid	16(b)	(3,916,416)	(4,753,707)
Dividend paid	27(c)	(350,264,970)	-
Net cash used in financing activities		<u>(354,641,034)</u>	<u>(4,766,784)</u>
Net (decrease)/increase in cash and cash equivalents		(59,729,235)	375,544,535
Cash and cash equivalents at beginning of the year		<u>2,562,420,467</u>	<u>2,186,875,932</u>
Cash and cash equivalents at end of the year	16(a)	<u>2,502,691,232</u>	<u>2,562,420,467</u>

The notes on pages 15 to 61 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General

Korea Investment and Securities Asia Limited (the "Company") is a public limited company incorporated in Hong Kong. Its immediate holding company is Korea Investment & Securities Company Limited, a company incorporated in Korea, and its ultimate holding company is Korea Investment Holdings Company Limited, a company incorporated in Korea and listed on Korea Stock Exchange. The principal activities of the Company are provision of securities and futures dealing services as well as investment advices to clients, provision of investment and trading supporting services to the immediate holding company and its affiliates, issuing derivative warrants and engaging in proprietary investments.

The Company is licensed under the Securities and Futures Ordinance to carry out the following regulated activities:

Type 1: Dealing in securities

Type 2: Dealing in futures contracts*

Type 4: Advising on securities

* For Type 2 regulated activity, the Company is subject to licensing condition that it shall only provide services to professional investors. The term "professional investor" is as defined in the Securities and Futures Ordinance and its subsidiary legislation.

The address of the registered office and the principal place of business is Suites 3711-12 & 3716-19, Jardine House, 1 Connaught Place, Central, Hong Kong.

These financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the company are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Company for the current and prior accounting periods reflected in these financial statements.

2 Material accounting policies (continued)

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the investments in associate and certain investments are stated at their fair value as explained in the accounting policies set out in note 2(d) and 2(e).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The Company has applied amendments to *HKAS 21, The effects of changes in foreign exchange rates - Lack of exchangeability*, issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Company has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Material accounting policies (continued)

(d) Investment in associate

An associate is an entity in which the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

In the statement of financial position, other than associates held for capital appreciation are measured at fair value, investment in associate is stated at cost less impairment losses, unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Investments in debt and equity securities

Investments are recognised/decognised on the date the Company commits to purchase/sell the investments or they expire. Investments in debt and equity securities are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Company determines fair value of financial instruments, see note 28(e). These investments are subsequently accounted for as follows, depending on their classification:

(i) Investments other than equity investments

Non-equity investments held by the Company are classified as fair value through profit or loss (FVTPL) when the contractual cash flows of the investment do not represent solely payments of principal and interest. Changes in the fair value of the investment (including interest) are recognised in profit or loss.

If the contractual cash flows of the non-equity investments held by the Company represent solely payments of principal and interest, the investment would be classified as amortised cost, as the Company does not invest in such instruments other than principally to collect those contractual cash flows. Interest income from investments carried at amortised cost is calculated using the effective interest method (see note 2(q)). A loss allowance on investments carried at amortised cost would be recognised with reference to credit losses expected to arise on the instrument, discounted where the effect would be material, and taking into account whether the credit risk of the instrument had increased significantly since initial recognition.

(ii) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Company makes an irrevocable election to designate the investment measured at fair value through other comprehensive income (FVTOCI) (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective.

2 Material accounting policies (continued)

(e) Investments in debt and equity securities (continued)

(ii) Equity investments (continued)

Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss.

Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(q).

(f) Property, plant and equipment

Properties and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off their cost, less their estimated residual value, if any, over their estimated useful lives on a straight-line basis at the following annual rates:

- Furniture	33.3%
- Office equipment	33.3%
- Leasehold improvement	33.3%

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of properties and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash generating unit to which it belongs, is the greater of its 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. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 Material accounting policies (continued)

(g) Leased assets

At inception of a contract, the Company assesses whether the contract is, or contains, 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Company has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Company, are primarily laptops and office furniture. When the Company enters into a lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(f)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Company will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 Material accounting policies (continued)

(g) Leased assets (continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract (“lease modification”) that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. In such cases, the Company has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

The Company has developed the following criteria to identify computer software or licence to be classified as equipment of intangible assets:

- Software or licence that is embedded in computer-controlled equipment, including operating system that cannot operate with that specific software is an integral part of the related hardware and is treated as equipment; and
- Application software that is being used in a computer is generally easily replaced and is not an integral part of the related hardware and is classified as intangible asset.

Software license acquired separately are measured on initial recognition at cost. Following initial recognition, software license are carried at cost less any accumulated amortisation and any accumulated impairment losses. Due to the risk of technological changes, the useful life of all software license are generally assessed as finite and are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the software licenses may be impaired. The amortization period and the amortization method for software licenses are reviewed at the end of each reporting period. The useful life for software licenses classified as intangible assets is 5 years.

Trading rights

Trading right, representing eligibility right to trade on or through The Hong Kong Stock Exchange Limited (the “Stock Exchange”), with indefinite useful life are tested for impairment annually either individually or at the cash generating unit level. These intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2 Material accounting policies (continued)

(i) Due from and due to brokers

Amount due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(j) Trade and other receivables

A receivable is recognised when the Company has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses (ECLs), which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of trade and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

2 Material accounting policies (continued)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(l) Accounts payables and other payables

Accounts and other payables are initially recognised at fair value. Accounts payables and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(i) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees, and no provision is made for the estimated liability for annual leave as annual leave shall not be accumulated to the next leave year and unused leave days shall not be compensated.

(ii) Bonus plan

The Company operates a bonus plan by which it makes its employees eligible for receiving discretionary bonuses based on the performance of the Company and the respective employee. The expected costs of bonus payments are recognised as a liability when the Company has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Pension obligations

The Company operates a mandatory provident fund scheme ("MPF Scheme") in Hong Kong. The assets of the MPF Scheme are held in a separate trustee-administered fund. Both the Company and the employees are required to contribute 5% of the employees' relevant income up to a maximum of HK\$1,500 per employee per month. The Company's contributions to the MPF Scheme are expensed as incurred.

2 Material accounting policies (continued)

(n) *Income tax*

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

Deferred tax is not recognised for those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

(o) *Share capital*

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

(p) *Provisions and contingent liabilities*

Provisions are recognised when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

2 Material accounting policies (continued)

(q) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Company is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Company's revenue and other income recognition policies are as follows:

- For commission and brokerage income are recognised on a trade date basis when the security brokerage transaction is executed.
- For commission income, the Company satisfies the performance obligation at a point in time when a brokerage client is referred to Korea Investment & Securities Company Limited and the referred client uses the brokerage services.
- Commission and advisory income is recognised when the service has been rendered such that the performance obligation has been completed based on terms of the respective agreements.
- Interest income is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
- Dividend income is recognised when the right to receive payment is established.
- Realised gains or losses on disposal of investments are recognised on a trade date basis when a sale and purchase contract is entered into. Unrealised gains or losses on investments are measured and recognised in accordance with note 2(e).

(r) Translation of foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in HK\$, which is the Company's functional and presentation currency.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

2 Material accounting policies (continued)

(s) Trust activities

The Company maintains segregated accounts with banks and authorized institutions to hold clients' monies arising from its normal course of business. The Company has classified the clients' monies as cash held on behalf of customers under the current assets section of the statement of financial position and recognised the corresponding accounts payable to respective clients on the grounds that the Company is liable to the clients. Cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

(t) Related parties

- (a) A person, or a close member of that person's family, is related to the Company if that person:
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Accounting judgements and estimates

Management makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

Fair value of level 3 financial instruments

The fair value of the financial instruments in note 28(e) are estimated by applicable valuation models. The estimation of fair value of the financial instruments includes some assumptions not supported by observable market prices or rates. The change of assumptions may have significant impact to the fair value of the financial instruments. The carrying amount of level 3 financial instruments as at 31 December 2025 was HK\$1,008,458,400 (2024: HK\$422,514,710). The directors believe that appropriate valuation techniques and assumptions in determining the fair value of financial instruments have been applied.

4 Property and equipment

	Furniture HK\$	Leasehold improvement HK\$	Office equipment HK\$	Total HK\$
Year ended 31 December 2024				
Opening net book value	30,112	108,055	271,366	409,533
Additions	1,500	-	8,748	10,248
Depreciation for the year	(18,051)	(108,055)	(174,879)	(300,985)
Closing net book value	<u>13,561</u>	<u>-</u>	<u>105,235</u>	<u>118,796</u>
As at 31 December 2024				
Cost	595,075	1,357,121	3,371,978	5,324,174
Accumulated depreciation	(581,514)	(1,357,121)	(3,266,743)	(5,205,378)
Net book value	<u>13,561</u>	<u>-</u>	<u>105,235</u>	<u>118,796</u>
Year ended 31 December 2025				
Opening net book value	13,561	-	105,235	118,796
Depreciation for the year	(8,957)	-	(94,551)	(103,508)
Closing net book value	<u>4,604</u>	<u>-</u>	<u>10,684</u>	<u>15,288</u>
As at 31 December 2025				
Cost	595,075	1,357,121	3,371,978	5,324,174
Accumulated depreciation	(590,471)	(1,357,121)	(3,361,294)	(5,308,886)
Net book value	<u>4,604</u>	<u>-</u>	<u>10,684</u>	<u>15,288</u>

5 Intangible assets

	<i>Trading right</i> HK\$	<i>Computer & software</i> HK\$	<i>Total</i> HK\$
At 1 January 2024			
Cost	1,000,000	4,368,987	5,368,987
Accumulated amortisation	-	(2,750,297)	(2,750,297)
Net book value	<u>1,000,000</u>	<u>1,618,690</u>	<u>2,618,690</u>
During the year ended 31 December 2024			
Opening net book value	1,000,000	1,618,690	2,618,690
Amortisation	-	(873,797)	(873,797)
Closing net book value	<u>1,000,000</u>	<u>744,893</u>	<u>1,744,893</u>
At 31 December 2024 and 1 January 2025			
Cost	1,000,000	4,368,987	5,368,987
Accumulated amortisation	-	(3,624,094)	(3,624,094)
Net book value	<u>1,000,000</u>	<u>744,893</u>	<u>1,744,893</u>
During the year ended 31 December 2025			
Opening net book value	1,000,000	744,893	1,744,893
Amortisation	-	(677,735)	(677,735)
Closing net book value	<u>1,000,000</u>	<u>67,158</u>	<u>1,067,158</u>
As at 31 December 2025			
Cost	1,000,000	4,368,987	5,368,987
Accumulated amortisation	-	(4,301,829)	(4,301,829)
Net book value	<u>1,000,000</u>	<u>67,158</u>	<u>1,067,158</u>

6 Leases

(a) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2025 HK\$	2024 HK\$
Other properties leased for own use, carried at depreciated cost	<u>8,200,714</u>	<u>12,301,071</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 HK\$	2024 HK\$
Depreciation charge of right-of-use assets	<u>4,100,357</u>	<u>4,634,359</u>

During the year, there are no additions (2024: HK\$12,301,071) and no derecognition (2024: HK\$ Nil) of right-of-use assets.

The Company has obtained the right-of-use of other properties as its Hong Kong office through tenancy agreements. The leases typically run for an initial period of 3 to 4 years.

The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company is not reasonably certain to exercise the extension options at lease commencement date, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

(b) Lease liabilities

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<i>Present value of the lease payments</i> HK\$	<i>Total lease payments</i> HK\$	<i>Present value of the lease payments</i> HK\$	<i>Total lease payments</i> HK\$
Within 1 year	<u>4,097,564</u>	<u>4,376,064</u>	<u>3,916,416</u>	<u>4,376,064</u>
After 1 year but within 2 years	4,287,091	4,376,064	4,097,564	4,376,064
After 2 years but within 5 years	-	-	4,287,091	4,376,064
	<u>4,287,091</u>	<u>4,376,064</u>	<u>8,384,655</u>	<u>8,752,128</u>
	<u>8,384,655</u>	<u>8,752,128</u>	<u>12,301,071</u>	<u>13,128,192</u>
Less: Total future interest expenses		<u>(367,473)</u>		<u>(827,121)</u>
Present value of lease liabilities		<u>8,384,655</u>		<u>12,301,071</u>

7 Investment in associate

Associate held by the Company held for capital appreciation is measured at fair value in the financial statements, breakdown as below:

	2025 HK\$	2024 HK\$
Clean Energy Transition Fund LP	<u>74,680,935</u>	<u>116,668,479</u>

The following list contains the particulars of the associate, which is unlisted limited partnership whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of the Fund commitment	Proportion of ownership interest held by the Company	Principal activity
Clean Energy Transition Fund LP	Limited Partnership	Cayman Islands	US\$15,000,000 of US\$28,350,000	52.91%	Investment (Note 1)

Note 1: The investment in Clean Energy Transition Fund LP, a partnership whose investment objective is to invest in clean energy transition companies.

Summarised financial information of the associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2025 HK\$	2024 HK\$
Gross amounts of the associate		
Current assets	149,624,558	251,868,542
Current liabilities	(2,935,240)	(2,512,038)
Equity	<u>146,689,318</u>	<u>249,356,504</u>
Net trading (loss)/gain and revenue	(99,007,778)	255,629
Loss after tax	<u>(103,303,878)</u>	<u>(10,096,038)</u>
Reconciled to the interests in the associate		
Gross amounts of net assets of the associate	146,689,318	249,356,504
Less: general partner interests	-	(15,030,338)
	<u>146,689,318</u>	<u>234,326,166</u>
Effective interest	52.91%	52.91%
Company's share of net assets of the associate	77,613,318	123,981,974
Less: Capital contribution receivables	(2,932,383)	(7,313,495)
Carrying amount in the financial statements	<u>74,680,935</u>	<u>116,668,479</u>

8 Financial assets measured at amortised cost

	2025 HK\$	2024 HK\$
(a) Financial assets		
Non-current		
Loans	161,521,843	202,614,668
Less: impairment allowances	<u>(1,333,964)</u>	<u>(1,723,473)</u>
	<u>160,187,879</u>	<u>200,891,195</u>
Current		
Accrued Interest	1,533,112	1,647,043
Less: impairment allowances	<u>(15,582)</u>	<u>(17,804)</u>
	<u>1,517,530</u>	<u>1,629,239</u>

(b) Provision for costs of debt

	Stage 1 HK\$	Stage 2 HK\$	Stage 3 HK\$	Total HK\$
ECL allowance at 1 January 2024	(2,406,753)	-	-	(2,406,753)
Cost of credit reversal to profit or loss	<u>665,476</u>	<u>-</u>	<u>-</u>	<u>665,476</u>
At 31 December 2024	<u>(1,741,277)</u>	<u>-</u>	<u>-</u>	<u>(1,741,277)</u>
ECL allowance at 1 January 2025	(1,741,277)	-	-	(1,741,277)
Cost of credit reversal to profit or loss	<u>391,731</u>	<u>-</u>	<u>-</u>	<u>391,731</u>
At 31 December 2025	<u>(1,349,546)</u>	<u>-</u>	<u>-</u>	<u>(1,349,546)</u>

9 Statutory deposits

	2025 HK\$	2024 HK\$
The Hong Kong Securities Clearing Company Limited		
- Admission fee deposit	50,000	50,000
- Guarantee fund deposit	1,524,852	5,398,103
- Mainland security deposit	426,374	429,701
SEHK		
- Fidelity fund and compensation fund deposit	100,000	100,000
- Stamp duty deposit	75,000	75,000
HKFE Clearing Corporation Limited		
- Reserve fund deposit	12,391,257	55,874,182
- Client deposit	92,535,704	236,751,419
- House deposit	1,987,079	19,711,054
The SEHK Options Clearing House Limited		
- Reserve fund deposit	1,613,412	3,541,188
- House deposit	8,513,709	33,322,779
	<u>119,217,387</u>	<u>355,253,426</u>

10 Deposits and other assets

	2025 HK\$	2024 HK\$
Non-current		
Rental and other deposits	<u>1,400,249</u>	<u>1,479,701</u>
Current		
Prepayments and other deposits	<u>6,170,416</u>	<u>6,211,331</u>

11 Amount due from/(to) brokers

	2025 HK\$	2024 HK\$
Amount due from brokers		
Deposit	<u>289,631</u>	<u>426,753,288</u>
Amount due to brokers		
Payables arising from the unsettled trade of securities	<u>-</u>	<u>(312,543,413)</u>

12 Amounts due from immediate holding company

Amounts due from immediate holding company represent commission income receivable in accordance with written service agreements. The balances are unsecured, non-interest bearing and repayable on demand. Refer to note 26 for details.

13 Financial assets and financial liabilities measured at fair value through profit or loss

	2025 HK\$	2024 HK\$
Financial assets		
Loans (note 28(e))	322,554,859	-
Equity securities	22,727,150	124,350,912
Debt securities	-	376,947,154
Exchange-traded funds	33,406	19,092,280
Unlisted investment funds (note 14)	685,903,541	400,851,255
Forward contracts (note 15)	-	3,622,085
Derivative warrants	35,392,460	-
Exchange-traded stock options	-	883,934
Convertible notes	-	13,898,031
	<u>1,066,611,416</u>	<u>939,645,651</u>
Financial liabilities		
Forward contracts (note 15)	(3,603,034)	-
Derivative warrants	(43,983,675)	(21,347,142)
Exchange-traded stock options	(113,175)	(3,863,340)
	<u>(47,699,884)</u>	<u>(25,210,482)</u>

14 Interests in unlisted investment funds

	2025 HK\$	2024 HK\$
Unlisted investment funds	<u>685,903,541</u>	<u>400,851,255</u>

As at 31 December 2025 and 2024, the Company held interest in several unlisted investment funds (see note 13) which are limited partnerships. The funds provide the Company with a variety of investment opportunities through managed investment strategies.

The Company concluded that the investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because the voting rights in the funds are not dominant rights in deciding who controls the funds.

The table below describes the types of structured entities that the Company does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Company
Limited partnerships investment funds	To invest in a portfolio of assets in order to provide returns to the investors from capital appreciation, income or both from those assets on behalf of third party investors and generate fees for the investment managers. These funds are financed through equity capital provided by investors.	Capital contribution invested into the funds

Investments in unlisted investment funds is recorded at the net asset value and adjusted thereafter for the post acquisition change on the Company's share of unlisted investment fund's net assets.

The table below set outs the interests held by the Company in the unconsolidated structured entities as at 31 December 2025 and 2024.

	Number of investment funds	Total net assets HK\$	Carrying amount included in financial assets (note 13) HK\$
<u>As at 31 December 2025</u>			
Investment in limited partnerships investment funds	6	24,585,100,046	685,903,541
<u>As at 31 December 2024</u>			
Investment in limited partnerships investment funds	6	23,771,053,337	400,851,255

15 Forward contracts

During the reporting period, the Company has entered into various forward currency contracts to manage its exchange rate exposures on foreign currency assets. The total notional amounts of the forward currency contracts held by the Company as of year end is HK\$284,338,206 (2024: HK\$165,941,360)

Management selected not to adopt hedge accounting for the foreign currencies transactions. Net loss in the fair value of the non-hedging derivative financial instruments amounting to HK\$17,056,544 were recognised to profit or loss during the year (2024: Net gain of HK\$28,155,330).

16 Cash and cash equivalents

(a) Cash and cash equivalents comprise of:

	2025 HK\$	2024 HK\$
Bank balances at authorised financial institutions:		
(i) General accounts		
- Cash	85,338,392	221,551,470
- Time deposit with original maturity of 3 months or less	724,070,978	709,134,078
(ii) Segregated accounts - cash	168,709,524	43,204,833
Cash and bank balances	978,118,894	973,890,381
Less: Client's monies in segregated trust accounts	(168,709,524)	(43,204,833)
Deposits at market money funds	809,409,370 1,693,281,862	930,685,548 1,631,734,919
	2,502,691,232	2,562,420,467

16 Cash and cash equivalents (continued)

(b) Reconciliation of liabilities arising from financing activities

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

	<i>Lease liabilities</i> HK\$ (note 6b)	<i>Total</i> HK\$
At 1 January 2024	4,753,707	4,753,707
Changes from financing cash flows:		
Capital element of lease rentals paid	(4,753,707)	(4,753,707)
Interest element of lease rentals paid	(13,077)	(13,077)
	(4,766,784)	(4,766,784)
Total changes from financing cash flows	(4,766,784)	(4,766,784)
Other changes:		
Interest expense	13,077	13,077
Increase in lease liabilities from entering into new leases during the period	12,301,071	12,301,071
	12,301,071	12,301,071
At 31 December 2024 and 1 January 2025	12,301,071	12,301,071
Changes from financing cash flows:		
Capital element of lease rentals paid	(3,916,416)	(3,916,416)
Interest element of lease rentals paid	(459,648)	(459,648)
	(4,376,064)	(4,376,064)
Total changes from financing cash flows	(4,376,064)	(4,376,064)
Other change:		
Interest expense	459,648	459,648
	459,648	459,648
At 31 December 2025	8,384,655	8,384,655

17 Trade and other receivables

	2025 HK\$	2024 HK\$
Accounts receivable arising from the ordinary course of business of dealing in securities (Note):		
Cash clients		
- third parties	49,844	481,008
- intermediate holding company	2,280,795	1,187,690
Clearing house	27,755,871	34,094,419
	30,086,510	35,763,117
Other receivables, deposits and prepayments	7,178,167	14,484,989
	37,264,677	50,248,106

Note: The majority of the Company's account receivables, particularly those arising from the ordinary course of business of dealing and broking, are revolving in nature.

18 Trade and other payables

	2025 HK\$	2024 HK\$
Accounts payable arising from the ordinary course of business of dealing in securities and futures:		
Clients		
- third parties	15,383,410	22,657,026
- intermediate holding company	272,096,298	259,329,949
Clearing house	631,177	387,732
	288,110,885	282,374,707
Commission payable to intermediate holding company	203,728	-
	288,314,613	282,374,707

The Company currently has a legally enforceable right to set-off the Continuous Net Settlement ("CNS") money obligations receivables and payables with Hong Kong Securities Clearing Company Limited ("HKSCC"); and the Company settles on a net basis as account receivables from or account payables to HKSCC.

19 Income tax in statement of financial position

(a) Taxation in the statement of financial position represents:

	2025 HK\$	2024 HK\$
Current		
Provision for Hong Kong Profits Tax for the year	-	-
Provisional Profits Tax paid	-	-
	<hr/>	<hr/>
Balance of Profits Tax provision relating to prior years	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
Non-current		
Provision for Pillar Two income taxes	9,998,792	-
	<hr/>	<hr/>

(b) Deferred tax liabilities/(assets) recognised:

Deferred income tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2024: 16.5%).

The movement in deferred tax liabilities/(assets) during the year is as follows:

	Depreciation allowances in excess of the related depreciation HK\$	Credit loss and other allowance HK\$	Other provision HK\$	Total HK\$
Year ended 31 December 2024				
At the beginning of the year	149,926	(434,329)	(399,181)	(683,584)
Released to the statement of comprehensive income (Note 24(a))	(149,926)	434,329	399,181	683,584
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Year ended 31 December 2025				
At the beginning of the year	-	-	-	-
Released to the statement of comprehensive income (Note 24(a))	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

19 Income tax in statement of financial position (continued)

(b) Deferred tax liabilities/(assets) recognized (continued):

In accordance with the accounting policy set out in note 2(n), as at year ended 31 December 2025, the Company has not recognised deferred tax assets in respect of cumulative tax losses of HK\$55,349,600 (2024: HK\$25,705,819) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

20 Fee Income

	2025 HK\$	2024 HK\$
Commission income from client referral (Note 26(a)(i))	20,677,505	17,408,248
Commission income from acquisition financing (Note 26(a)(ii))	1,159,227	1,123,177
Commission income from securities and futures dealing	7,237,994	5,323,108
Commission income from debt capital markets	10,888,007	33,557,932
Advisory income	1,258,786	2,453,882
(Reversal)/Accrual of carried interest	(7,567,469)	7,556,649
	33,654,050	67,422,996

21 Net losses on financial assets and financial liabilities measured at fair value through profit or loss

	2025 HK\$	2024 HK\$
- Net loss on unlisted loans	(7,959,611)	(2,700,338)
- Net (loss)/gain on equity securities	(11,402,314)	157,082,759
- Net gain on exchange traded funds	283,762	67,148,000
- Net gain on unlisted funds	31,410,262	9,356,373
- Net loss on convertible notes	(439,352)	(260,482)
- Net loss on bonds	(26,441,333)	(1,483,851)
- Net loss on derivatives	(29,258,093)	(233,723,059)
	(43,806,679)	(4,580,598)

22 Interest income

	2025 HK\$	2024 HK\$
- Interest income calculated using the effective interest method	15,223,837	20,156,475
- Interest income from financial assets measured at fair value through profit or loss	45,824,674	26,259,141
	61,048,511	46,415,616
 Other interest income from bank and other authorised institutions	35,082,830	81,660,355

23 Staff costs

	2025 HK\$	2024 HK\$
Salaries	26,492,172	37,078,337
Bonuses	3,529,239	7,513,918
Pension costs - MPF Scheme	504,516	633,268
Welfare	57,200	28,200
Directors' emolument (Note 26(b))	969,637	3,401,489
	31,552,764	48,655,212

24 Income tax in statement of profit or loss and other comprehensive income

(a) Taxation charged to profit or loss:

	2025 HK\$	2024 HK\$
Current Profits Tax		
Provision of Hong Kong Profits Tax for the year	-	-
Under-provision in respect of prior years	-	4,917,501
Withholding tax	920,994	1,329,085
	920,994	6,246,586
Pillar Two income taxes (note 24(c))	9,998,792	-
	10,919,786	6,246,586
 Deferred tax		
Origination and reversal of temporary differences (note 19)	-	683,584
	10,919,786	6,930,170

24 Income tax in statement of profit or loss and other comprehensive income (continued)

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "Ordinance"). Under the two-tiered profits tax rate regime, the first HK\$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The Ordinance is effective from the year of assessment 2018/19.

For the year ended 31 December 2025 and 2024, the Company made tax losses and therefore did not meet the conditions of applying two-tiered profits tax rate regime.

(b) Reconciliation between tax expense charged to profit or loss and accounting profit at applicable tax rates:

	2025 HK\$	2024 HK\$
Profit before tax	<u>78,159,218</u>	<u>75,636,792</u>
Notional tax on profit before tax	12,896,271	12,480,071
Tax effect of non-deductible expenses	932,932	847,422
Tax effect of non-taxable income	(18,129,750)	(20,112,059)
Tax effect of tax temporary difference not recognised	(590,677)	560,047
Under-provision in prior years	-	4,917,501
Tax effect of tax losses not recognised	4,891,224	6,908,265
Current income tax impact arising from Pillar Two model rules (note 24(c))	9,998,792	-
Withholding tax	920,994	1,329,085
Others	-	(162)
Tax expense for the year	<u>10,919,786</u>	<u>6,930,170</u>

(c) Pillar Two income taxes

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

From 1 January 2025, the Company's earnings in Hong Kong is subject to the domestic minimum top-up tax that was introduced by Hong Kong with effect from 1 January 2025. Pillar Two income tax expense has been recognised accordingly.

The Company has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

25 Commitments

The outstanding capital commitment on the fund investments and on Investment in associate not provided for in the financial statements at 31 December 2025 is approximately HK\$390.9 million (2024: HK\$635.4 million).

26 Related party transactions

(a) Fee income from related parties

(i) Commission income from client referral

The Company provides client referral services to Korea Investment & Securities Company Limited (immediate holding company of the Company). Commission income represents the sharing of brokerage commissions received by Korea Investment & Securities Company Limited on the trades mainly in Korean listed investments as entered into by the clients referred by the Company. In accordance with the fully disclosed clearing agreements for the respective clients referred by the Company, the Company earns a certain percentage of the commissions received by Korea Investment & Securities Company Limited on the trades entered into by these clients.

An amount of HK\$20,677,505 was earned from Korea Investment & Securities Company Limited (2024: HK\$17,408,248), with a receivable of HK\$1,173,413 as at 31 December 2025 (2024: HK\$646,829). The amount has been settled as of the date of the report.

(ii) Commission income for acquisition financing

The Company entered into the business cooperation agreement with Korea Investment & Securities Company Limited (immediate holding company of the Company) to conduct business activities related to investment banking business. Korea Investment & Securities Company Limited shall allocate the Company with appropriate revenue according to the agreement. The Company and Korea Investment & Securities Company Limited cooperated and conducted business activities together in relation to acquisition financing business.

During the year, an amount of HK\$1,159,227 was earned from (2024: an amount of HK\$1,123,177 was earned from) Korea Investment & Securities Company Limited, with receivable of HK\$1,159,227 as at 31 December 2025 (2024: Nil).

(iii) Commission income from securities and futures dealing

The Company is providing securities and futures dealing services to Korea Investment & Securities Company Limited and charges commission income based on the trades.

The commission rebate to Korea Investment & Securities Company Limited amounted to HK\$1,876,113 (2024: HK\$119,429), with a payable of HK\$203,728 (2024: HK\$1,318). The amount has been settled as of the date of the report.

(iv) Interest income

During the year, the Company charged and received interest income from a fellow subsidiary of HK\$525,777 (2024: HK\$ Nil). The interest bearing loan had been fully settled by end of the year.

26 Related party transactions (continued)

(b) Key management compensation

The directors are considered to be the key management of the Company. The following disclosures are made pursuant to section 383(1)(a) to (f) of the Hong Kong Companies Ordinance (Cap. 622) and parts 2 to 4 of the Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G).

The remuneration of directors for the year ended 31 December is set out below:

	Salary HK\$	Discretionary bonuses HK\$	Employer's contribution to a retirement benefit scheme HK\$ HK\$	Total HK\$
2025	2,580,909	(1,629,272)	18,000	969,637
2024	2,544,926	837,595	18,968	3,401,489

During the year ended 31 December 2025 and 2024, no defined benefit pension plan was operated by the Company, and therefore no retirement benefits were paid to the directors in respect of directors services as directors of the Company. No other retirement benefits were paid to the directors in respect of directors' other services in connection with the management of the affairs of the Company or its subsidiary undertaking for the year ended 31 December 2025 and 2024.

During the year ended 31 December 2025 and 2024, no termination benefits nor considerations provided to third parties for making available directors' services were paid.

As at 31 December 2025 and 2024, there was no loans, quasi-loans nor other dealings entered into by the Company in favour of the directors, controlled bodies corporate by and connected entities with the directors.

Save for contracts amongst group companies, no significant transaction, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a directors of the Company had a material interest, whether directly, or indirectly, subsisted at the end of the year or at any time during the year.

27 Share capital

(a) Issued share capital

	2025		2024	
	No. of shares	HK\$	No. of shares	HK\$
Ordinary shares, issued and fully paid:				
At 31 December	475,000,000	3,700,321,900	475,000,000	3,700,321,900

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value. Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity. Accordingly, the capital balance as at 31 December 2025 is HK\$3,785,291,580 (2024: HK\$4,068,317,118).

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the group, to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of the Hong Kong Companies Ordinance.

The Company is also subject to regulatory capital requirement imposed by the Securities and Futures Commission (the "SFC") under the Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). Capital adequacy and utilisation of regulatory capital are monitored daily by the Company's management in accordance with the SF(FR)R.

The Company is required to report its liquid capital on a monthly basis and has complied with the liquid capital requirement under the SF(FR)R at each reporting date throughout the periods ended 31 December 2025 and 2024.

27 Share capital (continued)

(c) Dividends

	2025 HK\$	2024 HK\$
Interim dividend declared and paid of US\$0.0947 per ordinary shares, totaling equally to USD45,000,000 (2024: US\$ Nil per ordinary shares)	<u>350,264,970</u>	<u>-</u>

28 Financial risk management objectives and policies

Exposure to currency, interest rate, credit and liquidity risks arises in the normal course of the Company's business.

The directors manage and monitor this exposure to ensure appropriate measures are implemented in timely and effective manner.

The following is a summary of the main risks and risk management policies.

(a) Foreign currency risk

The Company is exposed to currency risks primarily arising from financial instruments that are denominated in United States dollars ("USD"). As the HK\$ is pegged to the USD, the Company considers the risk of movements in exchange rates between the HK\$ and the USD to be insignificant. In respect of financial instruments denominated in other currencies, the Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The following table details the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK\$, translated using the spot rate at the year-end date.

28 Financial risk management objectives and policies (continued)

(a) Foreign currency risk (continued)

As at 31 December 2025

	<i>Exposure to major foreign currencies (expressed in Hong Kong dollars)</i>			
	<i>EUR</i> HK\$	<i>AUD</i> HK\$	<i>NZD</i> HK\$	<i>CNY</i> HK\$
Statutory deposits	-	-	-	2,211,490
Financial assets measured at fair value through profit or loss	79,101,079	97,901,873	-	-
Financial assets measured at amortised cost	-	33,871,078	90,127,440	-
Trade and other receivables	-	-	-	451,783
Cash and balance with banks	-	3,985,692	1	4,411,778
Amount due from brokers	19,604	42,347	-	-
Trade and other payables	(18)	(3,821,895)	-	(3,081,506)
Net exposure arising from recognised assets and liabilities	79,120,665	131,979,095	90,127,441	3,993,545

As at 31 December 2024

	<i>Exposure to major foreign currencies (expressed in Hong Kong dollars)</i>			
	<i>EUR</i> HK\$	<i>AUD</i> HK\$	<i>NZD</i> HK\$	<i>CNY</i> HK\$
Statutory deposits	-	-	-	5,198,394
Financial assets measured at fair value through profit or loss	52,326,583	90,513,849	-	-
Financial assets measured at amortised cost	-	78,302,024	87,508,720	-
Trade and other receivables	-	120,665	-	60,184
Cash and balance with banks	-	5,115,308	1,484,780	4,705,044
Amount due from brokers	9,255	5,891	-	-
Trade and other payables	(4,170)	(3,916,916)	-	(3,640,499)
Net exposure arising from recognised assets and liabilities	52,331,668	170,140,821	88,993,500	6,323,123

28 Financial risk management objectives and policies (continued)

(a) Foreign currency risk (continued)

Sensitivity analysis

The following table indicates the instantaneous change in the Company's profit before tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Company has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would not be materially affected by any changes in movement in value of the United States dollar against other currencies.

	<i>Increase/ (decrease) in exchange rate HK\$</i>	<i>Change in equity attributable to shareholders HK\$</i>
As at 31 December 2025		
<i>Currency</i>		
EUR	+/- 10%	+/- 7,912,066
AUD	+/- 10%	+/- 13,197,909
NZD	+/- 10%	+/- 9,012,744
CNY	+/- 5%	+/-199,677
As at 31 December 2024		
<i>Currency</i>		
EUR	+/- 10%	+/- 5,233,167
AUD	+/- 10%	+/- 17,014,082
NZD	+/- 10%	+/- 8,899,350
CNY	+/- 5%	+/- 316,156

28 Financial risk management objectives and policies (continued)

(a) Foreign currency risk (continued)

The table below shows an analysis of derivative assets and derivative liabilities outstanding as at 31 December 2025 and 2024:

Outstanding foreign exchange forward contracts and exchange traded foreign exchange futures entered directly by the Company as at 31 December 2025 and 2024 are as follows:

	Notional amount HK\$	Fair value	
		Assets HK\$	Liabilities HK\$
As at 31 December 2025			
Foreign exchange forward contracts	284,338,206	-	(3,603,034)
Exchange-traded stock warrants	279,871,860	35,392,460	(43,983,675)
Exchange-traded stock options	6,578,158	-	(113,175)
Total	570,788,224	35,392,460	(47,699,884)

	Notional amount HK\$	Fair value	
		Assets HK\$	Liabilities HK\$
As at 31 December 2024			
Foreign exchange forward contracts	165,941,360	3,622,085	-
Index futures contracts	224,700	-	-
Exchange-traded stock warrants	610,261,968	-	(21,347,142)
Exchange-traded stock options	91,377,650	883,934	(3,863,340)
Total	867,805,678	4,506,019	(25,210,482)

28 Financial risk management objectives and policies (continued)

(b) Interest rate risk

The Company's interest rate risk arises primarily from investments in debt instruments and bank deposits. The fair value of the Company's fixed rate securities will be affected by changes in prevailing external interest rates. The cash flows receivable from the Company's investments in variable rates securities will vary with changes in prevailing external interest rates.

(i) Interest rate profile

The following table details the interest rate profile of the Company's interest-bearing financial instruments at the end of the reporting period:

	2025		2024	
	<i>Effective interest rate</i>	<i>Amount HK\$</i>	<i>Effective interest rate</i>	<i>Amount HK\$</i>
Assets				
<i>Fixed rate instruments</i>				
Cash and cash equivalents	0% - 3.95%	2,671,400,756	0% - 4.70%	2,605,625,300
Debt instruments classified as financial assets measured at fair value through profit or loss	-	-	4.2% - 8.5%	376,947,154
<i>Variable rate instruments</i>				
Loans measured as financial assets measured at fair value through profit or loss	5.20%	322,554,859	-	-
Loans measured as financial assets measured at amortised cost	6.75% - 8.70%	<u>161,705,409</u>	6.75% - 9.32%	<u>202,520,434</u>

(ii) Sensitivity analysis

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. It is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have increased/decreased the profit after tax and retained profits by approximately HK\$2,421,301 (2024: increase/decrease by HK\$1,012,602).

28 Financial risk management objectives and policies (continued)

(c) Credit risk

The Company's credit risk is primarily attributable to amounts due from clients, brokers and clearing houses and deposits at banks. The management has a credit policy in place and the exposure to the credit risk is monitored on an ongoing basis.

In respect of amounts due from clients, individual evaluations are performed on all clients (including cash and margin clients) based on the underlying collateral. Cash clients are required to place deposits as prescribed in the Company's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted in the relevant market practices, which is usually within a few days from the trade date. Because accounts receivable from cash clients relate to a wide range of customers for whom there was no recent history of default, there has not been a significant change in credit quality and the balances are considered fully receivable, and the prescribed deposit requirements and the short settlement period involved, the credit risk arising from the amounts due from cash clients is considered low. Market conditions and adequacy of securities collateral and margin deposits of each cash account and margin account are monitored by management on a daily basis. Margin calls and forced liquidation are made where necessary.

In respect of amounts receivable from brokers and clearing houses and deposits at banks, credit risks are considered low as the Company normally enters into transactions with banks, brokers and clearing houses which are registered with regulatory bodies and enjoy sound reputation in the industry.

The Company has no significant concentration of credit risk as credits are granted to a large population of clients.

The Company does not provide any other guarantees which would expose the Company to credit risk.

28 Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The Company has adopted HKFRS 9 and measures the related loss provision by 12-month ECLs or lifetime ECLs.

The movements in the expected credit losses during the year are as follows:

	2025			2024		
	12-month ECL HK\$	Lifetime ECL (not credit- impaired) HK\$	Lifetime ECL (credit- impaired) HK\$	12-month ECL HK\$	Lifetime ECL (not credit- impaired) HK\$	Lifetime ECL (credit- impaired) HK\$
Financial assets measured at amortised cost						
At 1 January	1,741,277	-	-	2,406,753	-	-
Reversal of loss allowance	(391,731)	-	-	(665,476)	-	-
At 31 December	<u>1,349,546</u>	<u>-</u>	<u>-</u>	<u>1,741,277</u>	<u>-</u>	<u>-</u>

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

	2025 HK\$	2024 HK\$
Financial assets measured at fair value through profit or loss		
- Loans	322,554,859	-
- Debt securities	-	376,947,154
- Exchange-trade stock options	-	883,934
- Over-the-counter derivatives	-	3,622,085
- Convertible notes	-	13,898,031
	<u>322,554,859</u>	<u>395,351,204</u>
Financial assets measured at amortised cost		
Cash and cash equivalents	161,705,409	202,520,434
Amount due from immediate holding company	2,671,400,756	2,605,625,300
Amount due from brokers	2,332,640	646,829
Trade and other receivables	289,631	426,753,288
	<u>37,264,677</u>	<u>50,248,106</u>
	<u>3,195,547,972</u>	<u>3,681,145,161</u>

28 Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The Company measures credit risk associated with amounts due from related parties, amount due from brokers and cash and cash equivalents and expected credit losses using probability of default, exposure at default and loss given default (2024: amounts due from related parties, amount due from brokers and cash and cash equivalents and expected credit losses using probability of default, exposure at default and loss given default). The management considers both historical analysis and forward looking information in determining any expected credit loss from such financial assets. The management has assessed that all of the above financial assets aforementioned as at 31 December 2025 and 31 December 2024 are stage 1 assets under HKFRS 9, i.e. financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. At 31 December 2025 and 31 December 2024, management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be considered insignificant to the Company.

The following table provides information about the for expected credit losses:-

	<i>Gross carrying amount</i> HK\$	<i>Loss allowance</i> HK\$	<i>Net amount</i> HK\$
As at 31 December 2025			
Financial assets measured at amortised cost	<u>163,054,955</u>	<u>(1,349,546)</u>	<u>161,705,409</u>
As at 31 December 2024			
Financial assets measured at amortised cost	<u>204,261,711</u>	<u>(1,741,277)</u>	<u>202,520,434</u>

28 Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The table below presents the Company's financial assets and liabilities subject to offsetting and similar agreements. The tables are presented by types of financial instrument. Financial instruments subject to offsetting and similar agreements:

	A	B	C=A-B	D		E=C-D
				<i>Related amounts not set-off in the statement of financial position</i>		
				D(i)	D(ii)	
	<i>Gross amounts of recognised financial assets</i> HK\$	<i>Gross amounts of recognised financial liabilities set- off in the statement of financial position</i> HK\$	<i>Net amounts of financial assets presented in the statement of financial position</i> HK\$	<i>Financial Instruments</i> HK\$	<i>Cash Collateral received</i> HK\$	<i>Net Amount</i> HK\$
As at 31 December 2025						
Financial assets						
Amount due from brokers	289,631	-	289,631	-	-	289,631
Trade and other receivables	65,655,812	(28,391,135)	37,264,677	-	-	37,264,677
Total	<u>65,945,443</u>	<u>(28,391,135)</u>	<u>37,554,308</u>	<u>-</u>	<u>-</u>	<u>37,554,308</u>
Financial liabilities						
Forward contracts	(3,603,034)	-	(3,603,034)	-	-	(3,603,034)
Trade and other payables	(316,705,748)	28,391,135	(288,314,613)	-	-	(288,314,613)
Total	<u>(320,308,782)</u>	<u>28,391,135</u>	<u>(291,917,647)</u>	<u>-</u>	<u>-</u>	<u>(291,917,647)</u>

28 Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

	A	B	C=A-B	D <i>Related amounts not set-off in the statement of financial position</i>		E=C-D
				D(i)	D(ii)	
	<i>Gross amounts of recognised financial assets</i> HK\$	<i>Gross amounts of recognised financial liabilities set- off in the statement of financial position</i> HK\$	<i>Net amounts of financial assets presented in the statement of financial position</i> HK\$	<i>Financial Instruments</i> HK\$	<i>Cash Collateral received</i> HK\$	<i>Net Amount</i> HK\$
As at 31 December 2024						
Financial assets						
Amount due from brokers	426,753,288	-	426,753,288	(312,543,413)	-	114,209,875
Trade and other receivables	77,075,724	(26,827,618)	50,248,106	-	-	50,248,106
Total	<u>503,829,012</u>	<u>(26,827,618)</u>	<u>477,001,394</u>	<u>(312,543,413)</u>	<u>-</u>	<u>164,457,981</u>
Financial liabilities						
Amount due to brokers	(312,543,413)	-	(312,543,413)	312,543,413	-	-
Trade and other payables	(309,202,325)	26,827,618	(282,374,707)	-	-	(282,374,707)
Total	<u>(621,745,738)</u>	<u>26,827,618</u>	<u>(594,918,120)</u>	<u>312,543,413</u>	<u>-</u>	<u>(282,374,707)</u>

Amounts in D(i) and D(ii) above relate to amounts subject to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in 'A' which have not been offset in the statement of financial position, and (ii) any financial collateral (including cash collateral), both received and pledged.

The Company and its counterparty have elected to settle all transactions on a gross basis however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after notice of such failure is given to the party;
- bankruptcy.

28 Financial risk management objectives and policies (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the director to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month HK\$	1 month to less than 3 months HK\$	3 months to less than 1 year HK\$	Over 1 year	Total HK\$
As at 31 December 2025					
Accrued bonus	-	-	4,426,039	-	4,426,039
Accounts payable and accruals	5,081,113	-	1,160,000	-	6,241,113
Lease liabilities	364,672	729,344	3,282,048	4,376,064	8,752,128
Financial liabilities measured at fair value through profit or loss	44,096,850	-	3,603,034	-	47,699,884
Trade and other payables	272,931,203	-	15,383,410	-	288,314,613
Contractual cash outflow	322,473,838	729,344	27,854,531	4,376,064	355,433,777
As at 31 December 2024					
Amount due to brokers	312,543,413	-	-	-	312,543,413
Accrued bonus	-	-	10,404,183	-	10,404,183
Accounts payable and accruals	6,571,331	-	1,495,000	-	8,066,331
Lease liabilities	364,672	729,344	3,282,048	8,752,128	13,128,192
Financial liabilities measured at fair value through profit or loss	25,210,482	-	-	-	25,210,482
Trade and other payables	259,717,681	-	22,657,026	-	282,374,707
Contractual cash outflow	604,407,579	729,344	37,838,257	8,752,128	651,727,308

As at 31 December 2025, based on the earliest date on which the Company can realise the assets, HK\$3,772,238,483 (2024: HK\$4,010,063,424) of the financial assets are receivable within one month or have no stated maturity and therefore considered callable on demand.

28 Financial risk management objectives and policies (continued)

(e) Fair value measurement

Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - Quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques. Valuation techniques include net asset value as provided by investment fund managers, comparison to similar instruments for which market observable prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter (OTC) derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

28 Financial risk management objectives and policies (continued)

(e) Fair value measurement (continued)

The following table analyses within the fair value hierarchy of the Company's financial assets measured at fair value:

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 31 December 2025				
Assets				
<i>Financial assets measured at fair value through profit or loss</i>				
- Loans	-	-	322,554,859	322,554,859
- Equity securities	22,727,150	-	-	22,727,150
- Exchange traded funds	33,406	-	-	33,406
- Fund	-	-	685,903,541	685,903,541
- Derivative warrants	35,392,460	-	-	35,392,460
	<u>58,153,016</u>	<u>-</u>	<u>1,008,458,400</u>	<u>1,066,611,416</u>
Liabilities				
<i>Financial liabilities measured at fair value through profit or loss</i>				
- Forward contracts	-	(3,603,034)	-	(3,603,034)
- Exchange traded stock options	(113,175)	-	-	(113,175)
- Derivative warrants	(43,983,675)	-	-	(43,983,675)
	<u>(44,096,850)</u>	<u>(3,603,034)</u>	<u>-</u>	<u>(47,699,884)</u>

28 Financial risk management objectives and policies (continued)

(e) Fair value measurement (continued)

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 31 December 2024				
Assets				
<i>Financial assets measured at fair value through profit or loss</i>				
- Equity securities	116,585,488	-	7,765,424	124,350,912
- Debit securities	-	376,947,154	-	376,947,154
- Exchange traded funds	19,092,280	-	-	19,092,280
- Fund	-	-	400,851,255	400,851,255
- Forward contracts	-	3,622,085	-	3,622,085
- Exchange traded stock options	883,934	-	-	883,934
- Convertible notes	-	-	13,898,031	13,898,031
	<u>136,561,702</u>	<u>380,569,239</u>	<u>422,514,710</u>	<u>939,645,651</u>
Liabilities				
<i>Financial liabilities measured at fair value through profit or loss</i>				
- Exchange traded stock options	(3,863,340)	-	-	(3,863,340)
- Derivative warrants	(21,347,142)	-	-	(21,347,142)
	<u>(25,210,482)</u>	<u>-</u>	<u>-</u>	<u>(25,210,482)</u>

During the year there were no transfers between instruments in Level 1, Level 2 and Level 3.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of the unquoted debt securities is determined by discounting the future coupons and principal amount. The discount rate used is derived with reference to debt securities with similar risk profile.

The fair value of the foreign currency forward contracts is the discounted amount that the group would receive or pay at maturity date, taking into account the current interest rates of the underlying currencies and the creditworthiness of the counterparty.

28 Financial risk management objectives and policies (continued)

(e) Fair value measurement (continued)

Valuation techniques and significant unobservable inputs used in Level 3 fair value measurements

	Fair value at 31 December 2025 HK\$	Fair value at 31 December 2024 HK\$	Valuation technique	Unobservable input	Range for unobservable input	Sensitivity to changes in unobservable input
Unlisted investment funds	685,903,541	400,851,255	Net asset value	Liquidity lock-up/ no right of withdrawal	N/A	The estimated fair value would decrease if the liquidity lock-up discount is higher
Unlisted loans	322,554,859	-	The present value of cash flows discounted	Discount Rate	5.83%	The estimated fair value would increase if discount rate decrease
Unlisted equity securities	-	7,765,424	Asset-based approach (2024: Revenue multiple)	Net asset value (2024: Revenue multiple)	N/A (2024: 16.1)	The estimated fair value would increase if net asset value increase (2024: The estimated fair value would increase if revenue multiple increase)
Unlisted convertible notes	-	13,898,031	Binomial option pricing model	Discount Rate	13.3%	The estimated fair value would increase if discount rate decrease
	<u>1,008,458,400</u>	<u>422,514,710</u>				

The funds held by the Company is a Level 3 investments which the Company values based on the shareholding percentage of the net asset value of the fund as at year-end date.

The loans held by the Company is a Level 3 investments which the Company values based on the present values of future cash flows, discounted at interest rates based on the government yield curve as at the end of the reporting period plus an adequate constant credit spread, adjusted for the company's own credit risk.

The unlisted equity securities held by the Company is a Level 3 investments which the Company values based on the net asset value (2024: revenue multiple). The fair value measurement is positively correlated to the net asset value.

28 Financial risk management objectives and policies (continued)

For the year ended 31 December 2025, the unlisted convertible notes were fully converted to equity securities. Prior to the conversion, the convertible notes held by the Company was a Level 3 investments which the Company valued based on the binomial option pricing model, discounted at bond yield derived by the United States risk-free rate and option-adjusted spread of the bonds with CCC credit rating. The fair value of conversion option embedded in the convertible notes was determined using the binomial lattice model and the significant unobservable input used in the fair value measurement was expected volatility. The fair value measurement was positively correlated to the expected volatility. As at 31 December 2024, it was estimated that with all other variables held constant, an increase/decrease in the bond yield by 5% would have decreased/increased the Company's profit by HK\$849,152 and HK\$962,582 respectively.

The movements during the year in the balance of these Level 3 investments are as follows:

2025	<i>Unlisted investment funds HK\$</i>	<i>Unlisted loans HK\$</i>	<i>Unlisted equity securities HK\$</i>	<i>Unlisted convertible notes HK\$</i>	<i>Total HK\$</i>
At 1 January	400,851,255	-	7,765,424	13,898,031	422,514,710
Additions	239,767,568	403,441,480	2,298,621	-	645,507,669
Disposals	-	(78,362,710)	-	-	(78,362,710)
Conversions	-	-	14,320,863	(14,320,863)	-
Change in accrued interests, net	-	(2,520,602)	-	707,535	(1,813,067)
Unrealised gain/(loss) recognised, net	31,557,840	(1,724,069)	(24,254,967)	(439,352)	5,139,452
Exchange gain/(loss), net	13,726,878	1,720,760	(129,941)	154,649	15,472,346
At 31 December	<u>685,903,541</u>	<u>322,554,859</u>	<u>-</u>	<u>-</u>	<u>1,008,458,400</u>
Total gain/(loss) for the year included in profit or loss for assets held at the end of the reporting period	<u>45,284,718</u>	<u>(2,523,911)</u>	<u>(24,384,908)</u>	<u>422,832</u>	<u>18,798,731</u>
2024	<i>Unlisted investment funds HK\$</i>	<i>Unlisted loans HK\$</i>	<i>Unlisted equity securities HK\$</i>	<i>Unlisted convertible notes HK\$</i>	<i>Total HK\$</i>
At 1 January	255,960,993	476,986,840	7,811,677	13,101,953	753,861,463
Additions	169,755,602	46,533,053	-	-	216,288,655
Disposals	(21,504,871)	(516,464,468)	-	-	(537,969,339)
Change in accrued interests, net	-	626,610	-	1,135,815	1,762,425
Unrealised gain recognised, net	9,356,373	-	-	(260,482)	9,095,891
Exchange loss, net	(12,716,842)	(7,682,035)	(46,253)	(79,255)	(20,524,385)
At 31 December	<u>400,851,255</u>	<u>-</u>	<u>7,765,424</u>	<u>13,898,031</u>	<u>422,514,710</u>
Total gain/(loss) for the year included in profit or loss for assets held at the end of the reporting period	<u>(3,360,469)</u>	<u>(7,055,425)</u>	<u>(46,253)</u>	<u>796,078</u>	<u>(9,666,069)</u>

29 Subsequent event

Except capital deduction below, there have been no other matters or circumstances that have arisen since the end of the financial period, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the status.

On 10 December 2025, a board resolution was approved that the share capital of the Company be reduced from US\$475,000,000, all of which are issued and fully paid, to US\$320,000,000 and that such reduction be affected by repaying of US\$155,000,000 to the sole member of the Company. On 18 December 2025, the capital reduction had been passed by written resolutions of the sole member. The capital deduction was filled and registered in Companies Registry on 26 January 2026, and effective on the same date.

30 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Company.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures - Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRSs Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements except for the following:

30 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025 (continued)

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, income taxes and discontinued operations categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Company does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.