



中國金融發展(控股)有限公司

CHINA SUCCESS FINANCE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 3623

2025

ANNUAL REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Tiewei (*Chairman*)
Mr. Li Bin (*Chief Executive Officer*)
Ms. Dai Jing
Mr. Xu Kaiying
Mr. Pang Haoquan

Independent non-executive Directors

Mr. Tsang Hung Kei
Mr. Au Tien Chee Arthur
Mr. Zhou Xiaojiang

BOARD COMMITTEES

Audit Committee

Mr. Tsang Hung Kei (*Chairman*)
Mr. Au Tien Chee Arthur
Mr. Zhou Xiaojiang

Remuneration Committee

Mr. Zhou Xiaojiang (*Chairman*)
Mr. Zhang Tiewei
Mr. Tsang Hung Kei

Nomination Committee

Mr. Tsang Hung Kei (*Chairman*)
Mr. Zhou Xiaojiang
Ms. Dai Jing

COMPANY SECRETARY

Mr. Pang Chung Fai Benny

AUTHORISED REPRESENTATIVES

Mr. Li Bin
Mr. Pang Chung Fai Benny

REGISTERED OFFICE

Fourth Floor, One Capital Place
P.O. Box 847, Grand Cayman
KY1-1103
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

604
6th Floor
Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

STOCK CODE

3623

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

AUDITORS

Forvis Mazars CPA Limited
Certified Public Accountant
42nd Floor, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

PRINCIPAL BANKERS

Foshan Rural Commercial Bank Co. Ltd.
Guangdong Heshan Rural Commercial Bank Co.,
Ltd.

COMPANY WEBSITE ADDRESS

<http://www.chinasuccessfinance.com>

Five-year Financial Summary

	For the year ended 31 December				
	2025	2024	2023	2022	2021
Profitability data (RMB' 000)					
Revenue	41,987	64,585	19,846	88,479	102,616
Loss before taxation	(27,058)	(52,640)	(44,896)	(84,171)	(63,084)
Loss for the year	(31,796)	(56,699)	(45,690)	(82,467)	(82,618)
Basic loss per share (RMB per share)	(0.04)	(0.07)	(0.06)	(0.13)	(0.13)
Assets and liabilities data (RMB' 000)					
Total assets	546,698	558,737	644,936	739,547	922,182
Total liabilities	288,433	321,013	352,829	402,690	512,706
Net assets	258,265	237,724	292,107	336,857	409,476

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of China Success Finance Group Holdings Limited (the “**Company**” or “**China Success Finance**”), I am pleased to present the audited annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”).

In 2025, the global economy experienced sluggish recovery and intensified divergence, with both developed and emerging economies under pressure, presenting an overall pattern of weak recovery. Trade protectionism and geopolitical conflicts impacted industrial chains and trade. Coupled with multiple risks such as financial volatility, high debt levels, and recurring inflation, the uncertainty of economic operations increased significantly, making the overall environment more severe and complex.

In the Chinese Mainland, the domestic economy remained generally stable throughout the year, with full-year GDP growing by 5.0% year-on-year. However, the foundation for recovery was not yet solid, with prominent contradictions between strong supply and weak demand, and insufficient effective demand. The recovery of consumption and investment fell short of expectations. Issues such as real estate market adjustments, local debt pressures, and hidden risks in some small and medium-sized financial institutions intertwined, posing considerable operational pressure on the economy.

During the Reporting Period, affected by the superposition of multiple adverse factors such as a complex and volatile macro environment and persistently low consumption and credit demand, the Group's business expansion faced significant pressure, operating efficiency growth was restricted, and profit margins continued to narrow. Facing pressure, the Group adhered to the principle of prudent and stable operations, actively responding to various challenges and striving to ensure the Group's overall stable operation through four key measures: steadily developing traditional businesses, implementing hog breeding services, exploring the international energy storage supply chain business, and venturing into the digital assets field.

Chairman's Statement

In the financial sector, we adhered to prudent operations, strengthened whole-process risk control and actively promoted business innovation and model upgrades. Although the financial sector was under overall pressure and revenue did not meet expectations, by continuously optimising risk control mechanisms and deepening the technology finance layout, we engaged in diversified collaborative cooperation with various financial institutions and technology companies, continuously enhancing core competitiveness. In the guarantee business, facing severe challenges across the industry, including lackluster market demand, increasingly fierce competition, and rising customer sensitivity to fees, the Group's existing guarantee services for the transaction stages in trading markets faced significant operational pressure. Coupled with the adverse effects of declines in both annual guarantee issuance volume and rates, full-year guarantee business revenue decreased. However, the low-risk loan guarantee business remained stable. During the year, we initiated cooperation with a technology development company and successfully launched the electronic tender guarantee business. Leveraging blockchain technology, we connected with multiple public resource trading centers, creating a small-ticket and dispersed electronic guarantee model with controllable risks. Although it has not yet achieved scale due to the market cultivation period, this initiative aligns with the industry's digitalisation trend and injects new momentum into the subsequent sustainable growth of the guarantee business. During the Reporting Period, leveraging our technological expertise in the financial service sector, the Group built a professional technical team, achieving breakthrough in revenue from business management system technical consulting and maintenance, fully validating our talent cultivation strategy and technical capabilities. In the financial leasing business, facing multiple challenges such as stricter industry regulation and intensified competition for existing business, the Group primarily focused on maintaining existing operations, concentrating on optimising the risk control system, enhancing compliance capabilities, and consolidating the foundation for business operations.

In the hog breeding service sector, 2025 was a period of deep adjustment for the hog breeding industry, characterized by ample supply and declining hog prices. During the Reporting Period, the Group focused deeply on the standardised breeding service track, adopting a cooperative breeding model characterized by "batch closure and controllable risk". The Group completed approximately 42,000 hogs' breeding services cumulatively over two rounds during the year, with revenue recognized according to standards. As of the end of the Reporting Period, a cooperation plan for a third round of approximately 29,000 hogs had been agreed upon with the partner, laying a solid foundation for the continuation of the business. Relying on the mature breeding technology, a scientific disease prevention and control system, and a professional team, the Group achieved a high standard survival rate for the hogs, effectively avoiding the risks of market price fluctuations, and successfully optimising cash flow management efficiency and reducing operational risks.

Chairman's Statement

In the international energy storage business, the Group focused on sales in the commercial and industrial energy storage sector, moderately engaging in the residential energy storage business, and formulating differentiated operational strategies for various regional markets. During the Reporting Period, in the South African market, by promptly adjusting cooperation models and channel systems, business returned to normal in the second half of the year and became the core revenue source for the energy storage business. In the Australian market, residential energy storage products were certified and sales commenced. In the United Kingdom market, core products including shore-side charging piles for ships and high-voltage battery systems were developed, achieving an initial business breakthrough. In the Nordic market, high-quality distributors were identified and initial sales were completed. Through multi-regional expansion and product adaptation development, the Group gradually established a market foundation in the international energy storage sector, accumulating valuable experience for subsequent business expansion.

In the digital assets sector, adhering to the principle of prudence and compliance, the Group seized opportunities in fintech development, exploring and establishing its presence through dual paths of diversified investment and strategic cooperation, while closely following global regulatory trends. During the Reporting Period, the Group ventured into the digital assets business in the Sultanate of Oman by subscribing to exchangeable bonds. The intended target company aims to become the first licensed blockchain and Web 3.0 platform locally. In the field of RWA (real world asset), following the introduction of relevant regulatory principles in Chinese Mainland, relevant projects in the Chinese Mainland were halted in accordance with regulatory requirements, adhering to the baseline of compliant operations. Through forward-looking planning and prudent risk control, the Group has taken exploratory steps in the digital assets sector, laying the groundwork for seizing industry opportunities in the future.

Looking ahead to 2026, although the global economy maintains a certain resilience, growth momentum is weak and the recovery process remains uncertain. Risks such as slowing trade, geopolitical conflicts, and divergent monetary policies will continue to constrain development. The Chinese Mainland economy enters the first year of the "15th Five-Year Plan". The government will increase macroeconomic regulation, expand domestic demand, and promote the development of new productive forces. The fundamental positive long-term trajectory of the economy remains unchanged, but challenges such as external uncertainties, weak domestic demand, and resolving risks in key areas will persist. Hong Kong's economy is expected to continue its steady growth trend, with the recovery of tourism and consumption injecting vitality. However, external environmental uncertainty remains a major constraining factor.

Chairman's Statement

In the next stage, the Group will continue to adhere to the principle of prudent operations and steadily expand its business. Regarding the guarantee business, the Group will seize the opportunity presented by the digitalisation of public resource trading, expanding the cooperation scope and business scale of the electronic tender guarantee business. It will focus on customer needs and strive to promote product innovation, and deepen cooperation with banks and fintech companies, exploring compliant financial guarantee products that suit the market. In the financial leasing business, the Group will continue to optimise its risk control system and strengthen debt collection, closely monitoring industry policies and dynamics, and seizing opportunities to advance compliant business initiatives. Simultaneously, the Group will continue to explore other financial businesses and domestic and overseas opportunities, laying foundation for sustainable development.

In the hog breeding business, it is anticipated that the overall operation of the hog industry in 2026 will still face significant pressure. Market supply will remain relatively loose, hog prices will stay low, and industry profitability will continue to be under pressure. The Group will continue to optimize operational efficiency and strictly control costs and expenses, rigorously implement standardized breeding and disease prevention and control under the third round of breeding services, and ensure smooth delivery in the second quarter. The Group will continue to pay close attention to industry trends and policy guidance, and adjust breeding plans promptly according to the domestic market conditions and comprehensive analysis by the Company's management.

In the international energy storage business, in 2026, the global energy storage industry will continue to benefit from the long-term trend of green and low-carbon development, with expanding market opportunities. However, the industry still faces uncertainties arising from factors such as the international trade environment, changes in regional policies, intensified market competition and higher product standards. Overall, the industry presents both opportunities and challenges. The Group will deepen the structure of its international energy storage supply chain business, consolidating existing markets while expanding new growth points and ancillary businesses. In the South African market, it will consolidate its energy storage business market share and explore other products and businesses related to energy storage to enrich the business structure. In the Australian market, it will orderly advance the delivery of existing orders, leveraging cost control and product price advantages along with local subsidy policies to expand the scale of the residential energy storage business. In the Nordic market, it will deepen collaboration with partners to expand the market and explore new application scenarios. The Group will overall optimise its product matrix and market strategy, promoting the coordinated development of the energy storage business and its ancillary businesses to achieve steady improvement across all regions.

Chairman's Statement

In the digital assets field, the global regulatory framework in 2026 is entering an implementation phase, characterized by distinct features of "differentiated regulation and compliant development". The Group will adhere to the baseline of compliance and prudently advance its presence in the digital assets field. We will closely follow global regulatory trends in the digital assets industry, continuously monitor the business progress and regulatory dynamics of the cooperative project in the Sultanate of Oman, and steadily advance the implementation of cooperation. Besides, we will pay close attention to new policy opportunities in the Hong Kong digital assets market, leveraging the Group's listed platform to investigate possibilities for business expansion within the compliance scope. We will strictly adhere to Chinese Mainland regulatory policy requirements, closely track regulatory dynamics and avoid crossing compliance boundaries.

Finally, on behalf of the Board, I would like to express my sincere gratitude to all shareholders, customers, and partners for their continued trust and support. In the future, we will respond to market changes and seize development opportunities with a stable operational approach. On the foundation of stabilising existing businesses, we will actively explore new growth paths, strive to improve the Group's operating performance and comprehensive competitiveness, and reward the trust and support of all shareholders with even better results!

Zhang Tiewei

Chairman and Executive Director

27 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

OVERVIEW

In 2025, the global economic recovery was tepid, with an aggressive divergence in patterns. Overall growth momentum stayed stagnant and the foundation for recovery was fragile and unstable. Developed economies experienced sluggish growth, while emerging markets also underwent manifold pressures. Rising trade protectionism and ongoing geopolitical tensions continued to stir the global supply chain and suppress the growth of goods trade. Financial market volatility has intensified, with mounting global debts and increasing fragility in the financial system. Compounded by multiple intertwined risks such as recurring inflation and exchange rate fluctuations, the global economy operated in an environment full of uncertainties as the overall environment turned more severe and complex.

In 2025, all regions and departments in Chinese Mainland had thoroughly implemented the decisions and plans of the Central Committee of the Communist Party of China and the State Council. They stayed committed to the general principle of making advances while maintaining stable performance, fully and faithfully applying the new development philosophy on all fronts and speeding up building the new development paradigm. The overall operation of the national economy was steady, with GDP reaching RMB140.19 trillion, representing an increase of 5.0% over the previous year. However, the recovery momentum of the Chinese economy wavered, while operational pressure remained prominent. Against the complicated and rigorous external environment and unresolved domestic structural contradictions, economic growth showed a trend of being high in the beginning and slowing down at the end. Of which, the imbalance between strong supply and weak demand remained pronounced, the consumption and investment recovery fell short of expectations, and the issue of insufficient effective demand persisted. The adjustments in the real estate market, local debt pressures and potential risks in some small and medium-sized financial institutions continued to constrain sustained economic growth, contributing to a tortuous recovery process. As a result, the foundation for a robust economic upturn needed to be further consolidated.

In 2025, the global economic landscape remained complex and volatile. Domestically, the macroeconomic recovery leveled off, characterized by a prominent contradiction between strong supply and weak demand. With household consumption and corporate investment remaining cautious, overall credit demand stayed low — new RMB loans in 2025 decreased by approximately 10.1% year-on-year. Under the situation, the Group shouldered significant pressure in business expansion, with limited growth in operational efficiency and a continuous narrowing of profit margins, leading to marked overall downward pressure. In response to this complex environment, the Group adhered to the principle of prudent and steady operation. We actively tackled these challenges and ensured steady overall performance through four key initiatives: stabilizing the development of traditional sectors, promoting surrogate breeding services, exploring international energy storage supply chain business and stepping into the digital asset sector.

Management Discussion and Analysis

THE GROUP'S GUARANTEE BUSINESS

Business Model

The Group is engaged in the provision of financial and non-financial guarantee services in Chinese Mainland through its subsidiaries, primarily Guangdong Success Finance Guarantee Company Limited (the “**Success Guarantee**”), The Group primarily targets small and medium enterprises (SMEs) and individual customers in Chinese Mainland, assisting them in obtaining working capital loans from banks or other financial institutions.

In a typical financial guarantee transaction, the Group provides a guarantee for the repayment of a loan issued by a lending institution to its customer and charges a guarantee fee for this service. To secure the guarantee, the Group requires customers and/or third parties to provide various forms of counter-guarantees or collateral, such as equities, real properties, and equipment. The financial guarantee fee charged to customers is proportionate to the guarantee amount agreed upon between the Group and the customer. The Group also offers non-financial guarantee services, including, among others, performance guarantees related to payment obligations under agreements between customers and their counterparties, and litigation guarantees, where the Group assures the court that it will compensate the opposing party for losses incurred due to the freezing of their property as a result of the customers' inappropriate application for property preservation. Additionally, the Group provides guarantee services to numerous customers involved in product transactions, based on the guarantee needs arising from the payment process in these transactions.

Concentration of Receivables from Guarantee Payments and Diversity of Customers

Receivables from guarantee payments primarily represent defaulted loan amounts repaid by the Group on behalf of its customers. When a customer defaults on a bank loan for a certain period, the Group, in accordance with the relevant guarantee agreement and the bank's compensation request, settles the outstanding current and non-current balance on behalf of the customer. The Group then seeks repayment from the customer or realizes the counter-guarantee assets provided by the customer to recover the compensation amount.

The Group holds certain collateral over receivables from guarantee payments. The net carrying amount of receivables from guarantee payments increased from approximately RMB17.1 million as at 31 December 2024 to approximately RMB17.6 million as at 31 December 2025. The Group's receivables from guarantee payments due from the largest customer amounted to approximately RMB25.0 million, representing approximately 19.3% of the total receivables from guarantee payments. Revenue from financial and non-financial guarantee service businesses was approximately RMB3.2 million and RMB0.3 million, representing approximately 7.6% and 0.7% of the Group's revenue, respectively. The aging analysis of trade receivables is detailed in Note 12 to the audited consolidated financial statements of the Group. In 2025, the Group served 204 corporate customers and 17,380 individual customers for its financial and non-financial guarantee services, respectively.

Management Discussion and Analysis

The major terms of the traditional financial guarantee contracts entered into by the Group with its customers include: (a) guarantee terms ranging from approximately 1 year to up to 3 years; (b) a fee paid by the customer to the Group for the guarantee services, calculated based on between approximately 0.3% and 2% of the total sum guaranteed by the Group; and (c) in the event that the Group repays the lender the principal amount and/or interest (the “**Repaid Sum**”) on behalf of the customer in accordance with the guarantee contract, the customer shall repay the Group the Repaid Sum together with daily interest of 0.05% on the Repaid Sum.

Credit Risk Assessment Policy

The Group exercises prudence in its assessment and approval of guarantees and adopts a stringent credit risk assessment policy to mitigate credit risk. The credit risk assessment procedure begins with the project manager collecting identification and relevant corporate and financial documents from the customer. The project manager conducts due diligence on the customer and prepares an initial assessment report and due diligence report for the risk management department. The risk management department reviews these reports along with the information collected from the customer and may request further information for credit risk assessment. Members of the risk management department may also verify the information by conducting additional due diligence on the customer. Once approval from the risk management department is obtained, a recommendation from the project manager is made to the guarantee assessment committee for further approval. Members of the guarantee assessment committee may conduct further due diligence on the customer as necessary.

The Group: (a) identifies and assesses the background, credit status, and reputation of the customer and the counter-guarantor, including their financial status, shareholders background, and business reputation; (b) ascertains and investigates the purpose of the guarantee and the source of repayment; (c) conducts due diligence on the business of the customer and the counter-guarantor, including their operating history and business operations; and (d) conducts due diligence on the financial status of the customer and counter-guarantor and the collateral offered.

In performing credit risk assessments, the Group typically reviews: (a) background and credit search reports on the customer and the counter-guarantor; (b) corporate information on the customer and counter-guarantor; (c) an investigation report on the purpose for which the guarantee was sought from the Group (if applicable); (d) a due diligence report on the business of the customer and the counter-guarantor; (e) financial information of the customer and the counter-guarantor; and (f) public search results on the customer, the counter-guarantor, and the collateral offered.

The Group considers the following factors during its credit risk assessment before entering into guarantee contracts: (a) the background, credit status, reputation, and business operations of the guarantee applicant and the counter-guarantor (if applicable); (b) the source of repayment and repayment abilities of the guarantee applicant and the counter-guarantor (if applicable); (c) the value and nature of the collateral offered and the underlying purpose of the guarantee; (d) the cost of making guarantee payment; (e) credit and other business risks of a guarantee; (f) the expected rate of return; and (g) the loan-to-value ratio.

Management Discussion and Analysis

In considering a guarantee application, the Group primarily focuses on the loan repayment capability and creditworthiness of the customer. The value of collateral provided for a guarantee application serves as supplementary assurance. The Group's customers are first required to pass the lender's credit and risk assessments before engaging the Group's guarantee services. The Group provides guarantee services based on its assessment of the customers' loan repayment capability, derived from the Group's analysis of their operational and financial information gathered during the due diligence process. As such, the Group does not adopt a prescribed loan-to-value ratio to assess guarantee applications.

Credit Limit Internal Control

The project manager, in conducting due diligence on the customer and preparing the initial assessment report, provides the risk management department with an initial suggested credit limit for the guarantee. The risk management department, upon reviewing the initial assessment report and due diligence report prepared by the project manager, determines the credit limit for the customer before granting approval and submitting it to the guarantee assessment committee for further approval. Professional judgment is exercised by the management of the Group's guarantee business on the customer's credit limit based on the information gathered from due diligence and the results of the customer's credit risk assessment.

Credit Approval Internal Control

Upon confirming the principal terms of the guarantee with the customer, the business and operations department of the Group's guarantee business submits a project report to the risk management department for approval. If approval is obtained, a recommendation is made to the guarantee assessment committee for further approval. Upon securing the approvals of the guarantee assessment committee and the executive director, the guarantee agreement and relevant document are prepared based on the negotiated and approved terms.

Monitoring of Collection of Receivables from Guarantee Payments

The Group closely monitors the collection of receivables from guarantee payments. The project managers assigned to each guarantee monitor the post-guarantee status of the customers. Information collected from due diligence and credit risk assessments on the customer is reviewed, updated, and documented regularly to monitor their ability to make payments to the Group. The frequency of the review depends on the industry in which the customer operates, the seasonality of the customer's business (if applicable), and the purpose for which the guarantee was sought. The Group generally conducts reviews on its customers on a monthly or quarterly basis. Steps taken by the Group to monitor the collection of receivables from guarantee payments include: (a) conducting public domain searches on the customer and counter-guarantor to obtain updated public information; (b) obtaining and reviewing updated assets proofs and financial information on the customer and counter-guarantor; and (c) understanding the customer's operations and financials through site visits, reviewing sales contracts, sales invoices, value-added tax filing documents, utility bills, bank statements, and other relevant documents.

Management Discussion and Analysis

The Group implements appropriate measures promptly if there is a material deterioration in the customer's or counter-guarantor's financial conditions that affects their repayment abilities. In such cases, the project manager and members of the risk assessment and guarantee assessment committees will discuss with the customer or counter-guarantor and conduct site visits to understand the reasons behind the deterioration. If the customer is determined to be facing significant financial difficulties, the Group may demand additional collateral or counter-guarantees in accordance with the terms of the guarantee contract and will conduct frequent reviews as part of its monitoring of receivables from guarantee payments.

Actions Taken to Safeguard the Company's Interest in Receivables from Guarantee Payments

The Group closely monitors the customer's financial condition, business operations, counter-guarantee condition, and performance of obligations under the guarantee contract. Regular assessments of the customer's business operation and/or assets and liabilities are conducted. To safeguard the Company's interest in receivables from guarantee payments, if a customer faces difficulty in making payments, discussions are held with the customer to understand their financial circumstances and to formulate a repayment plan and debt restructuring plan for the outstanding payment. As a last resort, the Group will initiate legal action against all relevant counterparties (the customers and their counter-guarantors) and apply for enforcement and auction sales through the relevant court to recover receivables from guarantee payments and/or realize the collateral to satisfy the debt.

INDUSTRY AND BUSINESS REVIEW

Steadily Developing Traditional Businesses

In 2025, the Chinese Mainland government focused on the high-quality development of the real economy and strengthened the adjustments in countercyclical macro policy regulation. By utilizing monetary policy tools such as required reserve ratio reductions and interest rate cuts, alongside structural credit support policies, the government stimulated loans to flow toward key sectors and vulnerable links of the economy, particularly micro, small, and medium-sized enterprises (MSMEs). However, affected by a combination of macroeconomic factors, including the weak global economic recovery, domestic economic structural transformation and a lack of effective demand, the majority of MSMEs continued to face operational hardships marked by persistently high costs and sustained pressure on cash flows. Due to subdued market expectations, effective demand for credit remained insufficient, creating a time lag between policy transmission and real-world needs. Consequently, the momentum for profit recovery was still weak.

Management Discussion and Analysis

In the financial service segment, overall business was under pressure throughout 2025, with revenue performance not meeting expectations. In the complex operating environment, the Group maintained prudent operation strategies, adhering to the principle of "risk first, business second", and optimized its risk control mechanisms. At the same time, we proactively caught up with market changes and technological updates, steadily advancing market expansion and product innovation, as well as deploying fintech strategies. Leveraging our cross-disciplinary professional team with expertise in both finance and IT, we engaged in diversified synergy and cooperation with various financial institutions and technology companies to enhance our core competitiveness.

With respect to the guarantee business, under the influence of the fatigue of the financing needs of small and micro enterprises, the tightened conditions imposed by the cooperative institutions on guarantee companies, the cautious investment attitude, the continued mild personal consumption, as well as the fierce competition in the guarantee industry and the increasing sensitivity of customers' fees, the Group continued to face greater operating pressure in the guarantee services for the transactions in the trading market in 2025. Combined with the adverse impact of the double reduction of the annual guarantee issuance volume and fee rates, the annual guarantee revenue has declined, and the business situation was more severe. Regarding low-risk loan guarantee services, the Group maintained ongoing cooperation with regional commercial banks, focusing on providing standardized and low-risk support. By fully leveraging our risk prevention and control capabilities and advantages of traditional guarantee business, we ensured the steady implementation of related operations. Responding to current industrial hardships and the market environment, the Group strengthens customer relationship management to stabilize our client base and bolsters market confidence. We will advance product innovation centered on core customer needs to enhance business competitiveness. Additionally, we will maintain close communication with banks and institutions to deepen cooperative consensus. By aligning market demand with our respective resource advantages, we aim to jointly explore and develop financial guarantee products that meet risk management requirements and adapt to the market environment, thereby creating favorable conditions for the recovery of guarantee revenue and the improvement of operational performance.

Management Discussion and Analysis

Giving full consideration to the Group's risk management and control strategies, the Group actively expanded into other regions and its guarantee products. During the Reporting Period, through cooperation with a technology R&D company, the Group connected its proprietary electronic tender guarantee system to the Public Resources Trading Centres in multiple regions of the Chinese Mainland served by that company, leveraging blockchain technology to provide small-ticket and dispersed electronic tender guarantee services with controllable risks for public resource transactions such as engineering and procurement conducted at such regional Public Resources Trading Centres (the **"Electronic Tender Guarantee Business"**). The Electronic Tender Guarantee Business primarily targets tenderers intending to bid for small-scale procurement or construction works projects tendered by the Government via the online trading platforms of Public Resources Trading Centres. The Group will guarantee that, upon winning the tender, they will enter into contracts with the Government on schedule, with fee rates set with reference to government-guided prices. This business model has various significant advantages. From a risk perspective, the procurement and engineering projects with low contract values and a short period keep the Group's exposure highly manageable and inherently fragmented. That effectively mitigates the potential threat of concentration risks. The issuance of letters of guarantee is based on automated system workflows, which has significantly optimized the allocation of resources. Leveraging the electronic automated system, the Group does not need to incur significant additional capital outlay to build a dedicated sales team to develop and promote operations, saving labor and material costs. This business was launched in the second half of the year. As multiple factors including the market cultivation cycle, the pace of regional promotion and the gradual establishment of customer awareness, the business volume during the current period has yet to achieve economies of scale. Looking ahead, as the digitalization, electronization and online migration of the public resource trading sector in the Chinese Mainland continue to advance, the substitution of traditional paper-based letters of guarantees with electronic letters of guarantee has become the industry's prevailing trend. With market acceptance and policy support expected to increase steadily, the demand for Electronic Tender Guarantee Business is poised to be released progressively. The Group will continue to advance its integration and cooperation with public resource trading centers across various regions in the Chinese Mainland, striving to expand the coverage of its guarantee business and cultivate space for business growth.

In respect of the agricultural supply chain, the Group previously planned to launch a dedicated financing guarantee product with a regional commercial bank. This product targeted at the funding needs arising from the purchase-and-sale stage of agricultural trading markets and was in the approval stage with the partner banks earlier. During the Reporting Period, due to a combination of factors like actual demand in agricultural markets, changes in the requirements of partner institutions, and the optimization of risk prevention and control standards, the cooperation related to the aforementioned specialized financing guarantee product did not meet expectations and failed to be implemented as originally scheduled.

During the Reporting Period, leveraging the profound capabilities accumulated through years of deep engagement in the financial service sector, the Group successfully established a dedicated technical team. During the Reporting Period, we provided clients with technical consultancy services related to business management systems, which achieved consultancy and maintenance revenue. This performance stems from the Group's solid technological foundation in the IT field and also attests to the successful implementation of the Group's talent development strategy.

Management Discussion and Analysis

With respect to the payments under guarantees and the recovery of trade receivables, during the Reporting Period, the Group did not experience any instances of customers defaulting on borrowings or failing to discharge payment obligations when due; accordingly, no compensatory payments were made on behalf of customers. The Group proactively followed up on the collection of guarantee receivables (including the write-off of bad debt) from previous years and recovered bad debt of RMB0.8 million which has been written off in 2025.

In the financial leasing business, the industry in 2025 faced multiple challenges, including national and local policy guidance of the in-depth development of the real economy, the restructuring and tightening of financial regulatory oversight, the ongoing cleanup and rectification of the sector, and intensifying market competition with resources increasingly concentrating among leading players. As such, the Group adhered to the principle of prudent operations for this sector throughout 2025. Our primary task was maintaining existing operations while prioritizing the optimization of our risk control system and the enhancement of compliance capabilities. We continued to consolidate our risk management foundation and refine risk prevention and control mechanisms to ensure the steady operation of this business. Meanwhile, we closely monitored industry trends to explore opportunities for strategic business positioning when appropriate.

The Board is of the view that the Chinese Mainland's economy is currently in a period of bottoming out and fluctuations, characterized by high macroeconomic uncertainty, a slow recovery and sustained pressure on demand for traditional financial services. Throughout 2025, the Group adhered to the principle of prudent operations, strengthened full-process risk management and strictly controlled risk exposure. We focused on our core businesses to fortify the operational bottom line.

Hog Breeding Services

In 2025, Chinese Mainland's hog breeding industry was under thorough adjustment amid loose supply and showed the characteristics of overall loose supply and demand and downward hog prices. Throughout the year, hog slaughter volumes edged slightly higher than last year, and the stock of brood sows remained high in the first half of the year. Since August 2025, under the combined effect of policy guidance and market factors, the stock has been gradually reduced to a reasonable range at the end of the year. The price of hog on the market side fluctuated downward throughout the year, the consumption of pork by residents was weak, and the industry showed a periodic oversupply. The scaling up and concentration of the industry continued to intensify. Specifically, leading enterprises demonstrated their competitiveness by virtue of their cost, technology and industrial chain synergy advantages, and industry competition shifted from scale expansion to efficiency and industrial chain competition. The industry entered a cyclical adjustment phase, with overall operating performance under pressure.

Management Discussion and Analysis

Considering the continuous decline of hog prices at the market end, in order to avoid operating risks and ease the pressure on cash flow management, the Group continued to deepen the hog breeding service business and provide standardized and specialised breeding services for quality hog breeding enterprises during the Reporting Period. In line with epidemic prevention requirements, the Group strictly implemented the strategy of cooperating with only one cooperation partner at one time and providing breeding services on a single-batch basis. Specifically, the cooperation partner provides piglets, and the Group is fully responsible for the whole-process standardized hog breeding management. Then the bred hogs are uniformly delivered to the cooperation partner for external sales as agreed, forming a breeding service model of “closed-loop in batches and controllable risks”. The Group’s existing cooperation partner is a state-owned holding enterprise with key influence in the hog breeding sector in Guangdong Province. Both parties cooperate smoothly and the cooperation foundation remained solid.

During the year, the Group completed two rounds of breeding services, breeding a total of approximately 42,000 hogs for the cooperation partner. Standardized procedures were followed during the whole service process, and the corresponding breeding service revenue was recognized for the corresponding year in accordance with the accounting standards. As at the end of the Reporting Period, the Group had reached a plan for third round of cooperation with the cooperation partner under which the Group undertook to breed approximately 29,000 hogs, laying a solid foundation for the subsequent continuous stable development of business.

With its mature breeding technology, scientific epidemic prevention and control system, and a professional breeding team with rich practical experience, the Group has achieved a high breeding survival rate of hogs, and kept risks in the breeding process at a controllable level. The breeding service model enables the Group to mitigate uncertainties arising from market price fluctuations, significantly optimize the cash flow management efficiency and reduce overall operational risks.

Exploring International Energy Storage Supply Chain Business

In 2025, the international energy storage industry entered a period of large-scale development, with significant increase year over year in global new installed capacity, lower price of energy storage products, accelerated technology iteration and model innovation, and pronounced divergence in regional market development. The industry development also faced multiple challenges: structural supply-demand imbalance of core battery cells featuring high-end cell shortage and conventional cell excess, risks in layout choices brought by accelerated iteration of technical routes, higher costs of enterprises going overseas as a result of overseas localization policies and supply chain barriers. The industry has entered a structural adjustment stage in the high-speed expansion.

Management Discussion and Analysis

During the Reporting Period, the Group focused on the sales business in the industrial and commercial energy storage field, moderately developed the household energy storage business, and formulated corresponding operation strategies in line with the actual market conditions in various regions, to promote the orderly development of energy storage business. The original distribution cooperation plan for South Africa, the Group's key market in Africa, was stalled due to changes in the local market environment in the first half of the year. In this regard, the Group quickly kicked off business strategy adjustment, optimized the local cooperation model and channel system, and eliminated the obstacles to the previous operations. Therefore, the energy storage business successfully returned to normal in the second half of the year, becoming an important source of income for the Group's energy storage business.

At the same time, the Group accelerated the pace of development in Australia, Northern Europe, the United Kingdom, accurately aligned with local market demands, and simultaneously propelled product adaptation development and market channel construction. In the Australian market, the Group focused on household energy storage products. In order to enhance the core competitiveness of products, the Group steadily promoted the application for product certification and smoothly handled all formalities. During the Reporting Period, the certification application was approved, and the sales of energy storage products and revenue recognition were commenced. In the United Kingdom market, following preliminary studies and groundwork, the Group has been developing new shore-power charging station products for marine vessels and core products for high-voltage battery systems in line with local market demand, with initial business breakthrough made in this market in the year. The Group has identified a suitable sales distributor in the Nordic region and successfully achieved the first batch of sales in the Nordic market.

Participation in the Digital Asset Sector

As an important direction of global financial transformation and industrial upgrading, the digital asset sector has significant growth potential and development space. Intensifying competition and cooperation among countries regarding Central Bank Digital Currency (CBDC), stablecoins, and cryptocurrencies have profoundly affected the international monetary system and the global economic landscape. As technology matures and global regulatory framework improves, digital assets are expected to become an important force driving global financial inclusion, efficiency and security. At the same time, the development of the industry is also facing multiple practical challenges, there are regional differences in the regulatory policies of various countries, and some regulatory rules have not yet been implemented, which brings uncertainty to the layout of enterprises. Several departments in Chinese Mainland jointly held a meeting in November 2025, clarifying the regulatory direction of digital assets, emphasizing that virtual currency does not have the status of legal currency, and the relevant business is illegal financial activities, defining RWA (real world asset) and establishing regulatory principles which emphasize strict regulation to maintain financial stability. On 1 August 2025, Hong Kong brought the Stablecoins Ordinance into operation, providing a clear and standardized regulatory framework for business including the issuance and trading of stablecoins, and laying an institutional foundation for the healthy and orderly development of the digital asset industry in Hong Kong.

Management Discussion and Analysis

During the Reporting Period, the Group, on the basis of solidifying traditional financial services, capitalized on fintech development opportunities to explore development in the digital asset sector through diversified investment and strategic cooperation subject to prudential compliance with laws and regulations, so as to explore new development space and growth opportunities.

In terms of presence in overseas digital asset business, the Group has entered the digital asset market in the Sultanate of Oman by subscribing exchangeable bond. The target company for cooperation, registered in the Sultanate of Oman, engaged in providing electronic banking services and commercial brokerage services, and is committed to becoming the first licensed comprehensive blockchain and Web 3.0 platform in the Sultanate of Oman. The Group is of the view that the subscription will diversify the Group's investment portfolio, secure stable investment income, and tap the emerging market potential in the digital asset sector in the Sultanate of Oman. During the subscription process, the Group maintained a prudent attitude, and fully considered the currency market prospects, and laws, regulations and policies in the Sultanate of Oman, the business outlook of the target company and the EBITDA multiples of comparable companies. As of the end of the Reporting Period, the cash consideration for the investment in exchangeable bond has been paid in full, and the share consideration has not been issued, mainly because the Group still needs time to obtain the confirmation from the relevant local authorities in Oman on the shares that can be exchanged by the target company.

During the Reporting Period, the Group explored the feasibility of providing relevant services to clients in the field of RWA. The Group established preliminary contacts with several licensed professional institutions, including Hong Kong SFC-licensed institutions, virtual asset service providers (VASP) and top-tier law firms both domestically and internationally. The Group also entered into a strategic cooperation memorandum with a third party data service company and jointly established a company for the business. However, the board of directors fully recognizes that as an emerging financing mode, RWA still has certain uncertainties in such areas as blockchain technology application and cross-regional compliance supervision. In the process of business promotion, the Group continued to pay close attention to the regulatory developments of relevant laws and regulations, and stalled the relevant projects and business in Chinese Mainland as required by regulations after the introduction of RWA regulatory principles therein.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The revenue of the Group was mainly generated from the revenue related to the principal businesses of the Group. For the year ended 31 December 2025, the Group's revenue was approximately RMB42.0 million (2024: approximately RMB64.6 million), representing a decrease of approximately 35.0%. Detailed analysis of the Group's revenue is as follows:

Financial Guarantee Services

Revenue from the Group's financial guarantee services was mainly generated from the service fees charged for our financial guarantee services. For the year ended 31 December 2025, the Group's net revenue generated from financial guarantee services was approximately RMB3.2 million (2024: approximately RMB15.1 million), representing a decrease of approximately 78.8%.

Influenced by the complex and volatile global economic landscape and the slowdown in domestic macroeconomic recovery, the Group faces challenges such as weakened consumer spending, reduced willingness to invest among micro, small, and medium-sized enterprises, sluggish financing demand, overall weak credit demand, intense competition in the guarantee industry, and increasing customer cost sensitivity. In response, the Group has consistently adhered to a prudent and steady development strategy in its guarantee business expansion, continuously optimizing its risk management and control mechanisms and selecting project where its returns match the risks, revenues from the financial guarantee services decreased during the Reporting Period.

Non-financial Guarantee Services

Revenue from the Group's non-financial guarantee services was mainly generated from the service fees charged for providing customers with performance guarantees concerning the performance of payment obligations and litigation guarantees. For the year ended 31 December 2025, the Group's revenue generated from non-financial guarantee services amounted to approximately RMB0.3 million (2024: approximately RMB0.2 million).

The Group has consistently focused on the development of low-risk non-financial guarantee businesses, continuously optimizing the structure of non-financial guarantees while strictly controlling high-risk projects. In 2025, the Group introduced Electronic Tender Guarantee Business, which were launched in the second half of the year. However, due to multiple factors such as the market cultivation period, regional promotion pace, and the gradual establishment of customer awareness, the business volume during the period has yet to reach a scale.

Management Discussion and Analysis

Financial Consultancy and Maintenance Services

Revenue from the Group's financial consultancy and maintenance services was mainly generated from the service fees charged for providing customers with financial consultancy and maintenance services by the Group. For the year ended 31 December 2025, the Group's revenue generated from financial consultancy and maintenance services was approximately RMB5.1 million (2024: approximately RMB0.2 million).

During the Reporting Period, the Group proactively responded to market changes and technological updates. Leveraging its deep-rooted strengths accumulated from years of dedicated presence in the financial service sector, and drawing on its cross-disciplinary professional team with expertise in both finance and IT, the Group provided technical consulting and maintenance services for business management systems to its clients, thereby generating revenue from consulting services and system maintenance during the period.

Financial Leasing Business

Revenue from the Group's financial leasing services was mainly generated from the rental fees charged by the Group in its provision of financial leasing services to customers. For the year ended 31 December 2025, the Group's revenue from financial leasing services was approximately RMB0.9 million (2024: approximately RMB0.9 million).

During the Reporting Period, the financial leasing industry faced multiple challenges, including tightening regulatory oversight and intensifying market competition. The Group adhered to the principle of prudent operations, focusing primarily on maintaining existing business while continuously optimizing its risk control system and enhancing compliance management capabilities. It closely monitored the development trends and policy orientations of national and local governments regarding the financial leasing industry, and advanced its financial leasing business layout when appropriate.

Revenue from Sales of Market Hogs

For the year ended 31 December 2025, the Group did not record any revenue from the sale of market hogs (2024: approximately RMB4.4 million).

Taking into account multiple factors such as the current market environment for hog sales, hog price fluctuations, breeding cycles and industry development trends, the Group, after prudent assessment, considers that it is reasonable not to adopt the self-raising mode during the Reporting Period. Consequently, no revenue from sales of market hogs was recorded during the Reporting Period.

Management Discussion and Analysis

Hog Breeding Services

For the year ended 31 December 2025, the Group's revenue from hog breeding services was approximately RMB9.7 million (2024: approximately RMB2.4 million).

	For the year ended 31 December 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Revenue from hog breeding services	9,692	2,369
Cost of hog breeding services	(15,108)	(2,202)
Gross (loss)/profit	(5,416)	167

Revenue from hog breeding services is primarily derived from service fees charged for breeding hogs on behalf of the cooperation partner, which is influenced by the volume of hogs bred on behalf of the partner. The Group commenced its hog breeding services in the second half of 2024, and the scale of hog breeding in 2025 increased significantly as compared to the whole year of last year. During the Reporting Period, the decrease in the retail prices of hog and pork in the market was transmitted to the hog breeding industry, the wholesale and retail prices of hog continued to decline as compared to the whole year of last year, the overall hog breeding industry showed a trend of increase in volume and decrease in price, and the survival rate of hog breeding showed periodic fluctuations, which combined to affect the unit price income of each hog of the Group. With the increase of breeding scale, more depreciation was vested to the cost of breeding services during the Reporting Period, and the superimposed fixed costs and variable costs increased significantly compared with the whole year of last year, resulting in gross loss of hog breeding services as compared to the whole year of last year.

Management Discussion and Analysis

Revenue from Sales of Energy Storage System

For the year ended 31 December 2025, the Group's revenue from sales of energy storage system was approximately RMB22.8 million (2024: approximately RMB41.4 million).

	For the year ended 31 December 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Revenue from sales of energy storage system	22,814	41,440
Cost of sales of energy storage system	(17,784)	(38,963)
Gross profit	5,030	2,477

During the Reporting Period, the Group's revenue from energy storage system sales decreased compared to the same period of last year, primarily due to intense competition within the energy storage system market in South Africa. During the Reporting Period, the gross profit of the sales of energy storage system business of the Group increased, which was mainly attributable to the following factors: (i) the development of market regions with higher gross profit; (ii) the optimization of the sales channel system in some regions; (iii) the successful development and promotion of new products with higher gross profit.

Other Revenue

The Group's other revenue comprised interest income from financial assets measured at fair value through profit or loss (exchangeable bond), interest income from bank deposits, government grants, recovery of bad debt and others. For the years ended 31 December 2024 and 2025, the Group's other revenue was approximately RMB2.7 million and RMB5.4 million, respectively, representing an increase of approximately 100.0%.

The increase in other revenue compared to the same period of last year was primarily attributable to: (i) the Group receiving government grants of approximately RMB1.8 million during the Reporting Period (2024: approximately RMB0.4 million); and (ii) bad debts recovered of approximately RMB0.8 million during the Reporting Period (2024: nil).

Management Discussion and Analysis

Impairment and Provision Charged/(Credited)

Impairment and provision charged/(credited) for the year ended 31 December 2025 included the provision written back for guarantees issued and the impairment and provision charged/(credited) for receivables, where it is likely that the customers or other parties are in financial difficulties and recovery was considered to be remote. If any impairment and provision was made in the previous years but subsequently recovered, the impairment and provision previously made will be written back in the year in which the relevant amount is recovered.

For the year ended 31 December 2025, the Group reversed the provision of guarantee issued due to a decrease in guarantee income, leading to the reversal of provision for guarantees issued of approximately RMB3.3 million (2024: approximately RMB3.3 million). The provisions the Group made for impairment or reversal over receivables from guarantee payments, factoring receivables, finance lease receivables, and deposit and other receivables for the year ended 31 December 2025 are as follows:

Types of receivable	Gross balance as at 31 December 2025 (Approximately RMB million) (A)	Charged/ (credited) for the year ended 31 December 2025 (Approximately RMB million)	Accumulated impairment as at 31 December 2025 (Approximately RMB million) (B)	Net carrying amount (Approximately RMB million) (A-B)
Receivables from guarantee payments	129.52	(0.40)	111.92	17.60
Factoring receivables	51.59	4.30	44.52	7.07
Finance lease receivables	175.86	(1.51)	144.56	31.30
Deposit and other receivables	113.65	2.57	84.05	29.60
Total	470.62	4.96	385.05	85.57

Impairment Loss on Property, Plant and Equipment

Provision for impairment loss of approximately RMB0.9 million (2024: approximately RMB18.2 million) for the property, plant and equipment was recognised for the year ended 31 December 2025. During the Reporting Period, the estimated recoverable amount of non-current assets of the Group's subsidiary, Yangmianshan Company Limited, approximated to their carrying value. As a result, no related impairment loss provision was required during the period.

Management Discussion and Analysis

Operating Expenses

For the year ended 31 December 2025, the operating expenses (including research and development costs) of the Group were approximately RMB30.1 million (2024: approximately RMB40.9 million). The Group upheld the cost-efficient principle, and the operating expenses was analyzed as follows:

	2025 RMB'000	2024 RMB'000
Salaries	15,421	15,738
Auditor's fee	2,095	2,200
Depreciation charges	2,892	10,095
Rentals	125	96
Intermediary consulting expenses	2,950	3,386
Office, travel and entertainment expenses	2,599	5,229
Exchange loss	194	357
Others	3,793	3,843
Total	30,069	40,944

The decrease in depreciation compared to the same period of last year was primarily due to the expansion of the operating scale of the market hog segment during the Reporting Period, which resulted in more depreciation being vested to breeding costs, while depreciation vested to operating expenses decreased.

The decrease in office, travel and entertainment expenses compared to last year was primarily attributable to the Group's implementation of stricter control on cost management during the Reporting Period.

Changes in Fair Value of the Financial Assets

During the Reporting Period, the fair value loss of the Group's financial assets measured at fair value through profit or loss amounted to approximately RMB0.5 million, representing a significant decrease of approximately 94.8% as compared with the loss of approximately RMB9.6 million for the same period of last year.

Management Discussion and Analysis

During the Reporting Period, the Group's exchangeable bond and equity investment in a company were accounted as a financial asset measured at fair value through profit or loss. The fair value of the exchangeable bond was determined by an independent professional valuer using the conventional bond valuation approach, and the change in fair value during the Reporting Period resulted in a loss of approximately RMB0.2 million (2024: nil). The fair value of the equity investment in a company was determined by an independent professional valuer using the adjusted net asset value approach, which primarily assesses the value of the investee company's assets and liabilities, while the sales comparison approach or depreciated replacement cost approach was used in the valuation of the relevant assets of the investee company. During the Reporting Period, the change in fair value resulted in a loss of approximately RMB0.3 million (2024: loss of approximately RMB9.6 million).

Loss Before Taxation

The Group's loss before taxation decreased by approximately RMB25.5 million, or approximately 48.6%, from a loss of approximately RMB52.6 million for the year ended 31 December 2024 to a loss of approximately RMB27.1 million for the year ended 31 December 2025.

The decrease in the Group's loss before taxation during the Reporting Period was primarily attributable to (i) a significant decrease in impairment loss on property, plant and equipment compared to the same period of last year; and (ii) a significant decrease in fair value loss on financial assets measured at fair value through profit or loss compared to the same period of last year.

Income Tax

For the year ended 31 December 2025, the Group's income tax expense amounted to approximately RMB4.7 million, representing an increase of approximately 14.6% from approximately RMB4.1 million of income tax expense in the year ended 31 December 2024.

The income tax expense for both periods was mainly due to the reversal of deferred income tax assets.

LIQUIDITY AND CAPITAL RESOURCES

Treasury Management and Investment Policy

In order to utilise the Group's financial resources to effectively obtain a better return for the shareholders, the Group's general approach is to seek alternative investment opportunities that could provide a better return with limited risk exposure.

Management Discussion and Analysis

Pledged Bank Deposits and Cash and Bank Deposits

As at 31 December 2025, the current pledged bank deposits amounted to approximately RMB5.3 million (2024: approximately RMB33.0 million), representing a decrease of approximately RMB27.7 million as compared to last year. Cash and bank deposits amounted to approximately RMB215.1 million (2024: approximately RMB185.6 million), representing an increase of approximately RMB29.5 million compared to last year. The increase in cash and bank deposits was primarily attributable to the transfer of pledged guarantee deposits from pledged bank deposits to cash and bank deposits.

Interest Rate Risk and Foreign Exchange Risk

As at 31 December 2025, the Group's interest rate is primarily related to interest-bearing bank deposits and pledged bank deposits.

The Group's businesses for the year ended 31 December 2025 were principally conducted in RMB, while most of the Group's monetary assets and liabilities were denominated in HKD and RMB. As RMB is not a freely convertible currency, any fluctuation in the exchange rate of HKD against RMB may impact the Group's result. Although foreign currency exposure does not pose a significant risk to the Group and currently, the Group does not have hedging measures against such exchange risks, the Group will continue to take proactive measures and closely monitor the risk arising from such currency movement.

Adjusted Net Debt-to-capital Ratio

The Group monitors its capital structure based on an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes bank and other borrowings, and lease liabilities) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all equity components and redeemable preference shares, other than amounts recognised in equity relating to cash flow hedges, less unaccrued proposed dividends. The Group's adjusted net debt-to-capital ratio decreased from approximately 62% as at 31 December 2024 to approximately 42% as at 31 December 2025. The decrease in the adjusted net debt-to-capital ratio was primarily attributable to the decrease in total debt resulting from the reduction in the Group's interest-bearing borrowings during the Reporting Period.

Contingent Liabilities

As at 31 December 2025, the Group has no material contingent liabilities (2024: Nil).

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group recruits personnel from the open market and enters into employment contracts with them. The Group offers competitive remuneration packages to employees, including salaries and bonuses to qualified employees. The Group also provides training to the staff on a regular basis to enhance their knowledge of the financial products in the market and the applicable laws and regulations in relation to the industry in which the Group operates.

Management Discussion and Analysis

The Group maintained a stable relationship with its employees. As at 31 December 2025, the Group had 71 full-time employees. Compensation of the employees primarily includes salaries, discretionary bonuses, contributions to social insurance and retirement benefit scheme. The Group incurred staff costs (including Directors' remuneration) of approximately RMB15.4 million for the year ended 31 December 2025.

The Company has adopted the Post-IPO Share Option Scheme and the 2024 Share Option Scheme as an incentive to the Directors and eligible employees.

SOCIAL ENTERPRISE

While serving the local economic development and assisting small and medium-sized enterprises, the Group was also engaged in charitable activities to fulfil social responsibilities, whereby establishing a sound social image. For details, please see the sub-section headed "Social Enterprise" in the section headed "Report of the Directors" of this annual report.

PROSPECTS AND OUTLOOK

Macro Outlook

Looking ahead to 2026, although the global economy is expected to maintain a certain degree of resilience, growth momentum remains relatively weak and the recovery process continues to face uncertainties. Risk factors such as slower growth in global trade, ongoing geopolitical conflicts, divergence in monetary policies among major economies and volatility in financial markets have intertwined to constrain global investment, trade expansion and improvements in productivity. Emerging economies continue to face external shocks such as volatile capital flows and exchange rate risks. Overall, the global economic recovery is expected to remain uneven.

In Chinese Mainland, external uncertainties, weak domestic demand and the ongoing mitigation of risks in key sectors are expected to persist in 2026. Nevertheless, the long-term fundamentals supporting Chinese Mainland's economic growth remain unchanged. As 2026 marks the first year of the "15th Five-Year Plan", the Chinese government is expected to further strengthen macroeconomic policy adjustments, enhance coordination between fiscal and monetary policies and continue to expand domestic demand and boost market confidence, while accelerating the development of new quality productive forces to achieve high-quality economic growth targets. In Hong Kong, the economy is expected to maintain a steady growth momentum in 2026. With positive factors such as the recovery of the tourism sector, improvement in consumption and stable operation of the capital markets, economic vitality and resilience are expected to further improve. However, the highly uncertain external environment will remain a key constraint. Slower global economic growth, rising trade protectionism and geopolitical conflicts may continue to affect Hong Kong's external trade and international investment activities.

Management Discussion and Analysis

Against this backdrop, the Group will continue to adhere to a prudent and steady operating philosophy, prudently developing traditional businesses, optimize the hog supply chain business, exploring international energy storage supply chain business and cautiously expanding into the digital asset sector. At the same time, based in the Guangdong-Hong Kong-Macao Greater Bay Area, the Group will give full play to the regional integration and resource advantages, actively explore high-quality development opportunities, striving to achieve sustainable development in a complex market environment.

Prudently Developing Traditional Business

In the guarantee business, the Group will maintain a prudent operating approach and continue to explore opportunities in trading-market projects while focusing on core customer needs to promote product innovation. Leveraging the established Electronic Tender Guarantee Business model, the Group will seize opportunities arising from the digital transformation of the public resources trading sector and actively expand cooperation with public resources trading centers in other regions, thereby gradually increasing the scale of its Electronic Tender Guarantee Business. The Group will also strengthen communication with financial institutions and technology companies to explore more diversified cooperation opportunities and enhance its flexibility in responding to market changes. Meanwhile, the Group will continue to deepen its cooperation with banks and explore suitable financial guarantee products to improve the operating performance of the guarantee business.

In the financial leasing business, considering the tightening regulatory framework and the continued industry-wide rectification process, the Group will continue to adhere to prudent operational principles and will not blindly expand new businesses. The Group will focus on further improving its risk management system, enhancing compliance capabilities, strictly implementing regulatory requirements, strengthening its risk control foundation and intensifying efforts in receivables collection to alleviate cash flow pressure. The Group will also closely monitor industry developments and policy directions and will advance the deployment of its financial leasing business when appropriate opportunities arise to ensure that business development is aligned with its risk management capabilities.

In addition, the Group will continue to actively explore and make arrangements in the financial business sector, while closely monitoring opportunities in domestic and overseas markets to lay a solid foundation for sustainable development.

Management Discussion and Analysis

Optimising Hog Supply Chain Business

In 2026, the hog breeding industry in Chinese Mainland will first undergo a deep adjustment and destocking under production capacity control and market regulation, followed by a gradual and mild recovery. The overall recovery process will be slow and subject to considerable uncertainty. The 2026 Central No. 1 Document clearly proposes “strengthening comprehensive regulation of hog production capacity”. Policy orientation is shifting toward “improving quality and enhancing resilience”, and regulatory and support policies relating to capacity optimisation, feed efficiency improvement, cost reduction and epidemic prevention are expected to be further enhanced. With the gradual reduction in breeding sow capacity in the earlier stage beginning to take effect, market supply is expected to improve after the second quarter, and the industry may experience a recovery in profitability. However, the industry will still face challenges such as fluctuations in hog prices and persistently high rigid costs. The trend toward larger-scale operations and increasing industry concentration is expected to continue.

In 2026, the Group will continue to optimise operational efficiency, strictly control costs and expenses and steadily enhance business quality and sustainability. During the Reporting Period, the third round of hog breeding services (with an undertaking scale of approximately 29,000 hogs) has commenced. The Group will strictly implement standardised breeding management and comprehensive epidemic prevention throughout the entire process. It is expected that the batch of hogs will be successfully delivered to market between April and May 2026. The Group will continue to pay close attention to industry trends and policy guidance, and adjust breeding plans promptly according to the domestic market conditions and comprehensive analysis by the Company’s management.

Exploring International Energy Storage Supply Chain Business

In 2026, the global energy storage industry will continue to benefit from the long-term trend of green and low-carbon development, with expanding market opportunities. However, the industry still faces uncertainties arising from factors such as the international trade environment, changes in regional policies, intensified market competition and higher product standards. Overall, the industry presents both opportunities and challenges.

Management Discussion and Analysis

Looking ahead to 2026, the Group will leverage its existing market foundation and team advantages to steadily advance operations in its existing markets while actively exploring new growth opportunities. The Group completed comprehensive adjustments and optimisation of its energy storage business in South Africa, a key core market for the Group in Africa, at the end of 2025. In 2026, operations are expected to proceed smoothly and the Group will seek to consolidate its market share in the region. The Group is also actively exploring other energy storage-related business opportunities in South Africa. If these initiatives progress successfully, they will help the Group open up new market opportunities, optimise its business structure and cultivate new sources of profit growth. In the Australian market, demand for residential energy storage products remains strong. Leveraging its cost control and product pricing advantages, together with supportive local policies, the Group has accumulated a significant number of confirmed orders. In 2026, the Group will complete the delivery of these orders in an orderly manner and gradually expand its business scale by leveraging newly obtained product certifications and high-quality local distributor resources. In the Nordic market, the Group will continue to steadily advance its regional business layout, deepen collaboration with local partners, expand its market presence and actively explore new application scenarios and cooperation opportunities. In the future, the Group will continue to optimise its product portfolio and market strategies in line with industry trends. Leveraging the capabilities of its professional operations team, the Group will proactively respond to industry competition and market changes, steadily advance the coordinated development of its energy storage business and related extended businesses, and strive to achieve steady growth in each regional market.

Cautiously Expanding into the Digital Asset Sector

Looking ahead to 2026, the global digital asset industry is expected to progress steadily amid the parallel trends of tightening regulation and innovation-driven development. Regulatory frameworks around the world continue to evolve, gradually forming a landscape characterised by both divergence and convergence. Compliance has become the core theme of industry development. In February 2026, the People's Bank of China and seven other departments jointly issued a notice clarifying that virtual currency-related business activities constitute illegal financial activities and are strictly prohibited within Chinese Mainland. It also explicitly prohibits domestic and overseas entities or individuals from issuing RMB-pegged stablecoins overseas, and prohibits the conduct of RWA tokenisation activities without approval. At the same time, multi-department coordination in regulation and risk management has been further strengthened. Building upon the Stablecoins Ordinance introduced in 2025, Hong Kong will issue its first batch of stablecoin licences in 2026, further improving the regulatory framework governing stablecoin issuance and asset tokenisation. This is expected to promote the industry's transition from compliance-based market entry toward deeper development, reinforcing Hong Kong's position as an international digital asset hub.

Management Discussion and Analysis

In 2026, the Group will continue to adhere to the principles of prudence, compliance and steady progress while cautiously advancing its presence in the digital asset sector in line with industry trends and regulatory directions. For overseas expansion, the Group will continue to monitor the business progress of its target company in Oman, closely observe local regulatory policies and market developments, and prudently promote the implementation of related cooperation. At the same time, the Group will closely monitor opportunities arising from new regulatory developments in Hong Kong's digital asset market and explore potential business expansion within the scope of regulatory compliance by leveraging the Group's listed platform. In addition, the Group will closely track regulatory developments in Chinese Mainland and strictly comply with all relevant regulatory requirements.

USE OF PROCEEDS FROM THE PLACING IN MAY 2025

On 26 May 2025, the Group placed a total of 77,000,000 Placing Shares under general mandate, at the placing price of HK\$0.7 per Placing Shares and the total proceeds from the Placing were HK\$53,900,000. The net proceeds, after deducting the placing commission and other related expenses and professional fee of HK\$539,000, from the placing amounted to HK\$53,361,000. As of 31 December 2025, the analysis on intended use and actual use of the proceeds is set out as below:

The intended use of the proceeds from the Placing	Planned allocation (HK\$ in million)	Actual	Unutilised	Actual	Unutilised
		use as of 30 June 2025 (HK\$ in million)	proceeds from the Placing as at 30 June 2025 (HK\$ in million)	use from 1 July 2025 to 31 December 2025 (HK\$ in million)	proceeds from the Placing as at 31 December 2025 (HK\$ in million)
For the payment of the cash consideration of the subscription of exchangeable bonds	7.8	7.8	—	—	—
For the repayment of existing loans and outstanding payments of the Group	35.6	30.4	5.2	3.2	2.0
As general working capital for the Group	10.0	5.5	4.5	4.5	—
Total	53.4	43.7	9.7	7.7	2.0

Report of our Directors

BUSINESS REVIEW

The Company and its subsidiaries are collectively referred to as the “Group”. A fair review of the business of our Group as well as a discussion and analysis of our Group’s performance during the year ended 31 December 2025 and the material factors underlying its financial performance are set out in the “Chairman Statement” and the “Management Discussion and Analysis” sections of this annual report.

Principal Risks and Uncertainties

The Group’s performance is affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not currently known to the Group or which may not be material now but could turn out to be material in the future.

Risks pertaining to the financing guarantee business

Governmental policy changes, relevant regulations and guidelines established by the regulatory authorities will impact our business. Failure to comply with the rules and requirements may lead to penalties, modification or suspension of the business operation by the authorities. The Company closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

Also, our business is subject to credit risk and concentration risk. In view of these, the Group is trying to develop and maintain a diversified customer base to reduce the risks of any downturn in any of the customers’ industries causing a material adverse effect on the business. In addition, the Group has a rigorous risk management system to monitor risks at each key stage of the business operations, from pre-approval assessment, customer due diligence, approval processes, counter-guarantee arrangement to post-transaction monitoring.

Risks pertaining to the hog breeding services

Risk of epidemics: Epidemics that occur in hog breeding mainly include African swine fever, blue ear disease, epidemic diarrhoea, etc. The spread of an epidemic poses significant business risks to the Group. On the one hand, epidemics will lead to an increase in the mortality rate of hogs, which will directly lead to a decrease in the production capacity of hogs; on the other hand, if there is a large-scale epidemic of epidemics, it will affect consumer confidence and lead to a shrinking of market demand and a decrease in the price of products. The Group's hog breeding farms have finished its biosecurity and equipment upgrades and renovations project, introducing advanced and effective breeding technology and scientific disease prevention and control technology, and have equipped a series of hardware facilities to strengthen disease prevention and control, so as to minimise the risk of epidemics in the production process.

Risk of price fluctuations: Cyclical fluctuations in the market price of hogs will affect the Group's sales. When the market enters the trough of the 'pig cycle' and the market price of hogs declines, the Group will be exposed to the risk of a decrease in sales revenue and the results of operations may be loss-making. In addition, hog breeding requires the purchase of feed raw materials in large quantities and the fluctuation in feed raw material prices has a direct impact on the cost of breeding, and any significant fluctuation in raw material prices will increase the Group's breeding costs, which in turn will affect the profitability of the hog breeding business. To effectively handle price fluctuating risks with fully taking into account the principle of maximizing benefits, the Group launched a hog breeding model to breed hogs for the excellent hog breeding enterprises, so as to cope with the impact brought by market price fluctuations and reduce cash flow pressure.

Risks pertaining to the energy storage system sales business

International economic environment and political risk: In recent years, the international economic situation has been complex and volatile, with frequent occurrences of trade frictions, inflation, economic sanctions and local protectionism. The Group's energy storage system sales business faces operational risks arising from various factors such as the political situation, legal differences, market entry standards and policy adjustments in the countries in which it operates. The Group will strengthen its analysis of the international market environment, gradually increase the proportion of international suppliers to cope with the threat of trade barriers, dynamically adjust its business direction and expansion strategy, and strengthen the risk prevention and control mechanism for its international business to ensure the safe and sound development of its business.

Risk of increased market competition: With the acceleration of the global energy transition, the international energy storage industry is expanding, the supply of energy storage batteries is increasing rapidly, and the market competition situation is becoming more intense. The Group will intensify its market development efforts and further enhance the core competitiveness of its products through cost reduction, quality improvement, and scientific and technological innovation in order to consolidate and expand its market share.

Report of our Directors

Financial Risk

The Group is exposed to financial risks relating to currency risk, interest rate risk, credit risk and liquidity risk in its ordinary course of business. Further details of such risks and relevant management policies are set out in note 29 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are (i) provision of guarantee, financial leasing, factoring service and consulting and maintenance service in the Chinese Mainland; (ii) provision of breeding service in the Chinese Mainland; and (iii) trading of energy storage systems in overseas.

FINANCIAL RESULTS

The results of our Group for the year ended 31 December 2025 and the state of our Group's affairs as at that date are set out in the consolidated financial statements on pages 88 to 192 of this annual report.

CASH FLOW POSITION

The cash flow position of our Group for the year ended 31 December 2025 is set out and analysed in the consolidated cash flow statements set out on page 92 of this annual report.

DIVIDENDS POLICY

The Board will determine the level of dividends after considering the factors of the Company including (i) the financial condition and results of operations; (ii) the expected capital requirements and future expansion plans; (iii) statutory and regulatory restrictions; and (iv) other factors the Board may deem relevant.

The Board has the absolute discretion to decide whether to declare or distribute dividends in any year. There is no assurance that dividends of such amount or any amount will be declared or distributed each year or in any year.

The Board will review the dividend policy annually, as appropriate, to ensure its continued effectiveness.

The Board has resolved not to declare a final dividend by the Company for the year ended 31 December 2025. Considering the development and operation of the Group, the management is of the opinion that any undistributed profit will not be distributed in the foreseeable future.

SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITION AND DISPOSAL

There was no significant investment and material acquisition and disposal during the year ended 31 December 2025.

CHARGE ON ASSETS OF THE GROUP

Details of the charge on assets of the group are set out in note 24 to the consolidated financial statements.

PROFESSIONAL TAX ADVICE RECOMMENDED

For any taxation implications of purchasing, holding, disposing of, dealing in the shares of our Company, shareholders should consult an expert.

SUBSIDIARIES

Details of our Company's principal subsidiaries as at 31 December 2025 are set out in note 15 to the consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed during a period to be announced by the Company, during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by a time and date to be announced by the Company.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the aggregate amount of the distributable reserves of our Company was approximately RMB241.9 million. Movements in the distributable reserves of our Company during the year are set out in note 28 to the consolidated financial statements.

RESERVES

Movements in the reserves of our Group during the year are set out in the consolidated statement of changes in equity on page 91 of this annual report.

EQUIPMENT

Details of the movements of equipment of our Group for the year ended 31 December 2025 are set out in note 19 to the consolidated financial statements.

Report of our Directors

SHARE CAPITAL

Details of the movements in Company's share capital for the year ended 31 December 2025 are set out in note 28 to the consolidated financial statements.

SHARE OPTION SCHEME

Our Company maintains two share option schemes. The Post-IPO Share Option Scheme was adopted by a written resolution of shareholders on 18 October 2013, and the 2024 Share Option Scheme was adopted by an ordinary resolution at the extraordinary general meeting on 28 June 2024.

The Post-IPO Share Option Scheme

(a) Purpose and participants of the Post-IPO Share Option Scheme

The purpose of the Post-IPO Share Option Scheme is to attract and retain the best available personnel and to provide additional incentive to employees, directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.

The Post-IPO Share Option Scheme, with its broader basis of participation, will enable our Group to reward our directors, employees and other selected participants for their contributions to our Group.

Our Board may, at its absolute discretion and on such terms as it may think fit, grant any employee, director, consultant, advisor, distributor, contractor, supplier, agent, customer, business partner or service provider of our Group or any substantial shareholder of our Company, share options under the Post-IPO Share Option Scheme.

The basis of eligibility of any participant to the grant of any share option shall be determined by the Board from time to time on the basis of their contribution or potential contribution to the development and growth of our Group.

(b) *Maximum number of Shares available for issue*

The maximum number of shares issuable upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company as from the adoption date (excluding, for this purpose, shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the Post-IPO Share Option Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of all the shares in issue upon the listing date.

The limit of 10% may be refreshed at any time by approval of the shareholders of our Company in general meeting provided that the total number of the shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit. The limit on the grant of share options under the Post-IPO Share Option Scheme was refreshed from 41,404,400 shares to 54,301,362 shares with the approval of the shareholders of the Company at the general meeting held on 27 May 2021, which represent approximately 8.61% of the Company's issued shares of 630,663,336 as at the date of this annual report. The Post-IPO Share Option Scheme expired on 17 October 2023 and none options are available for grant under the Post-IPO Share Option Scheme during the year ended 31 December 2025.

(c) *Maximum entitlement of each Participant under the Post-IPO Share Option Scheme*

The total number of the shares issued and to be issued upon exercise of the options granted and to be granted to each Participant, under the Post-IPO Share Option Scheme and under any other share option scheme(s) of our Company, within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the shares in issue as at the proposed date of grant. Any further grant of options to a participant in excess of the 1% limit shall be subject to shareholders' approval in general meeting.

(d) *Exercising and vesting period of options granted under the Post-IPO Share Option Scheme*

In relation to the share options granted to the directors and key employees on 18 May 2020, the options vested in a lump sum from the date of grant and may be exercised at any time during the Share Option Exercise Period.

In relation to the share options granted to employees with performance assessment on 18 May 2020, the options may be exercised only after they have achieved specific performance targets relating to the Group. The performance targets have been determined by the Board and set out in the respective grant letter of each grantee. Unless the performance targets are met, the share options granted to them will lapse.

Report of our Directors

The share options may be exercised by employees with performance assessment during the Share Option Validity Period based on the following manner:

1. firstly exercising up to 25% of the share options at any time from 31 March 2021 till the expiration of the Share Option Validity Period;
2. further exercising up to 35% of the share options at any time from 31 March 2022 till the expiration of the Share Option Validity Period; and
3. in respect of the remaining 40% of the share options, which, for the avoidance of doubt, comprise those share options which have not been exercised (and not lapsed) since 31 March 2021, at any time from 31 March 2023 till the end of the Share Option Validity Period.

The employees with performance assessment did not meet the assessment targets. Accordingly, all share options issued to the employees with performance assessment lapsed immediately.

The share options granted to the directors and key employees on 17 October 2023 may be vested on the date falling the first anniversary of the date of grant and may be exercised within 10 years from the date of grant once vested.

(e) *The amount payable on acceptance of options granted under the Post-IPO Share Option Scheme*

A nominal consideration of HK\$1.00 is payable on acceptance of the grant of options under the Post-IPO Share Option Scheme. The nominal consideration shall be paid by the grantee to the Company within 7 days from and including the date of offer.

(f) *The basis of determining the exercise price*

The exercise prices for the options granted on 18 May 2020 and 17 October 2023 are HK\$0.84 and HK\$0.74, respectively.

The exercise price for the shares on the exercise of options under the Post-IPO Share Option Scheme shall be a price determined by the Board and notified to the relevant Participant at the time the grant of the options is made to the Participant and shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is granted, which date must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which the option is granted; and (iii) the nominal value of the share on the date on which the option is granted.

(g) Remaining life of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years from its adoption date on 18 October 2013. The scheme expired on 17 October 2023 and no further options can be granted under the Post-IPO Share Option Scheme. The options granted before the expiry of the Post-IPO Share Scheme remains outstanding and can be exercised in accordance with the terms of the Post-IPO Share Scheme and the grant letters.

Movements in Post-IPO Share Options Scheme

The Company granted a total of 32,155,400 share options on 18 May 2020, of which 400,000 share options granted had been rejected by a grantee, leaving a balance of 31,755,400 share options (the “**2020 Share Options**”). Of 31,755,400 2020 share options, 3,600,000 share options have been granted to the directors of the Board, 3,155,400 share options have been granted to the core employees of the Group, and 25,000,000 share options have been granted to the employees of the Group who have been set specific performance targets as an incentive. On 17 October 2023, the Company granted an aggregate of 5,703,000 share options to eligible participants (the “**2023 Share Options**”). Of 5,703,000 share options, 1,900,000 share options have been granted to the directors of the Board, 3,803,000 2023 share options have been granted to the core employees of the Group. As at the date of this annual report, the Post-IPO Share Options to subscribe for 10,123,000 shares remained outstanding.

The validity period of the options granted shall be 10 years from the grant date (the “**Share Option Validity Period**”). The options shall lapse at the expiry of the Share Option Validity Period or earlier if the service relationship between the Company and the respective grantee of the options has terminated prior to the expiry of the validity period.

During the year ended 31 December 2025, 1,226,000 Post-IPO Shares Options were exercised, of which 266,000 shares were subscribed at an exercise price of HKD 0.84, and 960,000 shares were subscribed at an exercise price of HKD 0.74. Additionally, none of the Post-IPO Shares Options were cancelled and lapsed. As of December 31, 2025, 10,123,000 Post-IPO Share Options remained outstanding.

In respect of the exercise of options during the Reporting Period, the weighted average closing price of shares immediately before the dates on which the options were exercised is HK\$1.35.

Report of our Directors

During the year ended 31 December 2025, the movements of the options which have been granted under the Post-IPO Share Option Scheme are set out below:

Category and name of participants	Date of Grant	Vesting period	Exercise period	Exercise price per share option	Outstanding as at 1 January 2025	Addition during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Balance as at 31 December 2025
Category 1 – Director										
Zhang Tiewei	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
Li Bin	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
	17 October 2023	17 October 2023 – 16 October 2024	17 October 2024 – 16 October 2033	HK\$0.74	1,000,000	—	—	—	—	1,000,000
Dai Jing	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
	17 October 2023	17 October 2023 – 16 October 2024	17 October 2024 – 16 October 2033	HK\$0.74	900,000	—	—	—	—	900,000
Xu Kaiying	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
Pang Haoquan	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
Tsang Hung Kei	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
Au Tien Chee Arthur	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
Zhou Xiaojiang	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	400,000	—	—	—	—	400,000
Sub-Total					5,100,000	—	—	—	—	5,100,000
Category 2 – Employees under continuous employment contract										
	18 May 2020	18 May 2020 – 18 May 2020	18 May 2020 – 17 May 2030	HK\$0.84	2,446,000	—	(266,000)	—	—	2,180,000
	17 October 2023	17 October 2023 – 16 October 2024	17 October 2024 – 16 October 2033	HK\$0.74	3,803,000	—	(960,000)	—	—	2,843,000
Sub-Total					6,249,000	—	(1,226,000)	—	—	5,023,000
Total					11,349,000	—	(1,226,000)	—	—	10,123,000

Notes:

The closing prices of the shares immediately before the date of granting the Post-IPO Share Options on 18 May 2020 and 17 October 2023 (i.e on 15 May 2020 and 16 October 2023) were HK\$ 0.84 and HK\$0.67, respectively.

The 2024 Share Option Scheme

(a) Purpose and participants of the 2024 Share Option Scheme

The purpose of the 2024 Share Option Scheme is to enable the Board to grant options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Group. Eligible participants include Employee Participants, Related Entity Participants and Service Providers.

(b) Maximum number of Shares available for issue

The maximum number of shares which may be allotted and issued in respect of all options to be granted under the 2024 Share Option Scheme, and all share options and all share awards to be granted under any other schemes (the “**Scheme Mandate Limit**”) must not in aggregate exceed 10% of the total number of shares in issue as at the Adoption Date, and the maximum number of Shares which may be allotted and issued in respect of all options, all share options and all share awards to be granted to service providers (the “**Service Providers**”) under the 2024 Share Option Scheme and any other schemes (the “**Service Provider Sublimit**”) must not in aggregate exceed 1% of the total number of shares in issue as at the Adoption Date, unless the Company has obtained separate approval by shareholders in general meeting.

(c) Maximum entitlement of each Participant under the 2024 Share Option Scheme

The total number of Shares issued and to be issued in respect of all Options granted under the 2024 Share Option Scheme and all share options and all share awards granted under any Other Schemes (including both exercised or outstanding Options and share options and vested or outstanding share awards but excluding any Options, share options and share awards lapsed in accordance with the terms of the 2024 Share Option Scheme or such Other Scheme(s)) to each Participant within the 12-month period immediately preceding the proposed date of grant up to and including the relevant Offer Date shall not exceed 1% of the total number of Shares in issue (the “**Individual Limit**”). Any further grant of options to a Participant in excess of the 1% limit shall be subject to Shareholders’ approval in general meeting.

(d) Exercising and vesting period of options granted under the 2024 Share Option Scheme

The share options granted to eligible participants have a vesting period of not be less than 12 months and are exercisable before the expiry of a period of 10 years from the date of grant and in accordance with the terms of the 2024 Share Option Scheme.

The share options granted to the Directors and a core employee on 29 April 2025 may be vested on the date falling the first anniversary of the date of grant and may be exercised within 10 years from the date of grant once vested.

Report of our Directors

(e) *The amount payable on acceptance of options granted under the 2024 Share Option Scheme*

A nominal consideration of HK\$1.00 is payable by each grantee on acceptance of the grant of options under the Post-IPO Share Option Scheme. The nominal consideration shall be paid by the grantees to the Company within 7 days from and including the date of offer.

(f) *The basis of determining the exercise price*

The exercise price for the options granted on 29 April 2025 is HK\$0.85.

The exercise price for the options granted under the 2024 Share Option Scheme shall be a price determined by the Board and notified to the relevant Participant at the time the grant of the options is made to the Participant and shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of the share on the date on which the option is granted.

(g) *Remaining life of the 2024 Share Option Scheme*

The 2024 Share Option Scheme remain in force for a period of 10 years commencing on the date on which the 2024 Share Option Scheme is adopted.

Movements in 2024 Share Options Scheme

On 29 April 2025, the Company granted an aggregate of 9,000,000 share options to eligible participants (the "**2025 Share Options**"). Of this aggregate number, 4,000,000 share options have been granted to the directors of the Board, and 5,000,000 share options have been granted to a core employee of the Group. As at the date of this annual report, the 2025 Share Options to subscribe for 9,000,000 shares remained outstanding.

During the year ended 31 December 2025, the 2025 Share Options were subject to a vesting period and remained unexercisable, with no lapses or cancellations.

Report of our Directors

During the year ended 31 December 2025, the movements of the options which have been granted under the 2024 Share Option Scheme are set out below:

Category and name of participants	Date of Grant	Vesting period	Exercise period	Exercise price per share option	Outstanding as at 1 January 2025	Addition during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Balance as at 31 December 2025
Category 1 – Director										
Zhang Tiawei	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Li Bin	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Dai Jing	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Xu Kaiying	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Pang Haoquan	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Tsang Hung Kei	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Au Tien Chee Arthur	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Zhou Xiaojiang	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	500,000	-	-	-	500,000
Sub-Total					-	4,000,000	-	-	-	4,000,000
Category 2 – Employee										
	29 April 2025	29 April 2025 – 28 April 2026	29 April 2026 – 28 April 2035	HK\$0.85	-	5,000,000	-	-	-	5,000,000
Sub-Total					-	5,000,000	-	-	-	5,000,000
Total					-	9,000,000	-	-	-	9,000,000

Notes:

The closing prices of the shares immediately before the date of granting the 2025 Share Options on 29 April 2025 (i.e. on 28 April 2025) were HK\$ 0.82.

The number of options available for grant under all share option schemes mandate and the Service Provider Sublimit at 1 January 2025 were 43,722,393 and 5,523,079, and at 31 December 2025 were 34,722,393 and 5,523,079 respectively.

The number of shares that may be issued in respect of options granted under all share option schemes during the year ended 31 December 2025 (i.e. 19,123,000 shares) divided by the weighted average number of shares of the relevant class in issue for the period (i.e. 599,101,000 shares) was 3.19%.

Report of our Directors

DIRECTORS

The directors who held office during the year ended 31 December 2025 and up to the date of this annual report are:

Executive Directors

Mr. ZHANG Tiewei (re-elected on 27 June 2025)
Mr. LI Bin (re-elected on 28 June 2024)
Ms. DAI Jing (re-elected on 27 June 2025)
Mr. XU Kaiying (re-elected on 25 May 2023)
Mr. PANG Haoquan (re-elected on 28 June 2024)

Independent Non-executive Directors

Mr. TSANG Hung Kei (re-elected on 28 June 2024)
Mr. AU Tien Chee Arthur (re-elected on 27 June 2025)
Mr. ZHOU Xiaojiang (re-elected on 25 May 2023)

Pursuant to Article 108 of the articles of association of our Company (the “**Articles of Association**”) and code provision B.2.2 of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), one-third of our directors will retire by rotation at the annual general meeting of our Company and will be eligible for re-election at that meeting.

Accordingly, Mr. Li Bin, Mr. Xu Kaiying, and Mr. Zhou Xiaojiang will retire at the forthcoming AGM and, being eligible, offer themselves for re-election.

Biographical details of the directors and senior management of our Company are set out at pages 78 to 82 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Except for Ms. Dai Jing, whose service agreement commenced on 1 January 2024; each of the executive directors has entered into a service agreement with our Company for a term of three years commencing on 1 May 2025, and such service agreements may be terminated in accordance with the terms of the service agreements.

Each of the independent non-executive directors was appointed to our Board pursuant to their respective letters of appointment, for an initial term of three years commencing on 1 May 2025, and such appointment may be terminated in accordance with the terms of the letters of appointment.

As at 31 December 2025, none of our directors proposed for re-election at the forthcoming AGM of our Company has a service contract with members of our Group that is not determinable by our Group within one year without payment of compensation, other than statutory compensation.

Report of our Directors

EMOLUMENT POLICY

The emoluments of our directors are recommended by the remuneration committee, and decided by our Board, having regard to our Company's operating results, duty, responsibility, performance and workload of individuals and the prevailing market practices. No director is involved in deciding their own remuneration.

The emolument of the senior management of the Group are recommended by the remuneration committee, and decided by our Board, with reference of the Company's objectives, the Board's objectives, the qualifications, experience, duties and responsibilities of individuals, the Group's performance and the prevailing market conditions.

The salaries of the company's employees are determined by the Chief Executive Officer, based on the company's performance, individual qualifications, and achievements.

Our Company has adopted the Post-IPO Share Option Scheme and the 2024 Share Option Scheme as an incentive to our directors and eligible employees. Details of the schemes are set out under the section headed "Share Option Schemes" of this annual report.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of our directors and the five highest paid individuals of our Group during the year under review are set out in notes 7 and 8 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the financial year. Our Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, so far as is known to the Directors or chief executives of the Company, the following persons other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying Shares which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") and as recorded in the register required to be kept by our Company under section 336 of the SFO:

Report of our Directors

Long Position in shares

Name of Shareholder	Nature of interests	Notes	Number of Shares	Total Equity (Long Position)	Approximate Percentage of Shareholding <small>(Note 6)</small>
Expert Depot Limited	Beneficial interest	1, 5	123,620,000	123,620,000	19.60%
Bliss Success Investments Limited	Beneficial interest	2, 5	74,110,000	74,110,000	11.75%
Novel Heritage Limited	Beneficial interest	3, 5	63,294,000	63,294,000	10.04%
New Maestro Investments Limited	Beneficial interest	4	44,996,000	44,996,000	7.13%

Notes:

- Expert Depot Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Zhang Tiewei, our Chairman and an executive Director.
- Bliss Success Investments Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Xu Kaiying, an executive Director.
- Novel Heritage Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Pang Haoquan, an executive Director.
- New Maestro Investments Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. He Darong.
- Pursuant to an acting in concert confirmation dated 17 February 2023, Mr. Zhang Tiewei, Mr. Xu Kaiying, and Mr. Pang Haoquan confirmed they have been acting in concert, in exercising and implementing the management and operation of the Group with each other and reached consensus before making any commercial decisions (including financial decisions and business operation decisions) on an unanimous basis. Hence, they are deemed to be interested in 265,362,000 shares, representing approximately 42.08% of the total issued share capital of the Company as at 31 December 2025 by virtue of the SFO.
- Calculated with reference to the number of issued Shares (630,663,336 shares) as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who has the interests or short positions in any Shares or underlying Shares of the Company which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

Report of our Directors

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the interests and short positions of each director and chief executive of our Company and their respective associates in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") to be notified to our Company and the Stock Exchange, are set out below:

Long Position in shares

Name of Director	Nature of interests	Notes	Number of shares held	Number of underlying shares	Total interests (long position)	Approximate percentage of shareholding <small>(Note 8)</small>
Mr. Zhang Tiewei	Beneficial interest, interests held jointly with other persons and interest in a controlled corporation	1, 2, 9	264,462,000	900,000	265,362,000	42.08%
Mr. Xu Kaiying	Interests held jointly with other persons and interest in a controlled corporation	3, 4, 9	264,462,000	900,000	265,362,000	42.08%
Mr. Pang Haoquan	Interests held jointly with other persons and interest in a controlled corporation	5, 6, 9	264,462,000	900,000	265,362,000	42.08%
Mr. Li Bin	Beneficial Interest	7	–	1,900,000	1,900,000	0.30%
Ms. Dai Jing	Beneficial Interest	7	–	1,800,000	1,800,000	0.28%
Mr. Tsang Hung Kei	Beneficial Interest	7	–	900,000	900,000	0.14%
Mr. Au Tien Chee Arthur	Beneficial Interest	7	–	900,000	900,000	0.14%
Mr. Zhou Xiaojiang	Beneficial Interest	7	–	900,000	900,000	0.14%

Notes:

- Mr. Zhang Tiewei, Chairman and executive Director, personally held 1,638,000 shares and held 123,620,000 shares via Expert Depot Limited, an investment holding company wholly owned by him. By virtue of the SFO, he is also deemed to be interested in 139,204,000 Shares through an acting in concert confirmation dated 17 February 2023.
- Mr. Zhang Tiewei's interest under equity derivatives were the 400,000 of the 2020 Share Options and the 500,000 of the 2025 Share Options.
- Mr. Xu Kaiying, an executive Director, indirectly held 74,110,000 shares through Bliss Success Investments Limited, an investment holding company wholly owned by him. He is also deemed to be interested in 190,352,000 Shares through an acting in concert confirmation dated 17 February 2023 by virtue of the SFO.
- Mr. Xu Kaiying's interest under equity derivatives were 400,000 of the 2020 Share Options and the 500,000 of the 2025 Share Options.

Report of our Directors

5. Mr. Pang Haoquan, an executive Director, indirectly held 63,294,000 Shares through Novel Heritage Limited, an investment holding company wholly owned by him. He is also deemed to be interested in 201,168,000 Shares through an acting in concert confirmation dated 17 February 2023 by virtue of the SFO.
6. Mr. Pang Haoquan's interest under equity derivatives were 400,000 of the 2020 Share Options and the 500,000 of the 2025 Share Options.
7. On 18 May 2020, the Company granted 400,000 of the 2020 Share Options under the Post-IPO Share Option Scheme to each of the directors of the Board. Except for Mr. He Darong, the then non-executive director, the remaining directors all accepted the share options granted by the Company. On 17 October 2023, the Company granted 1,000,000 and 900,000 of the 2023 Share Options to Mr. Li Bin and Ms. Dai Jing. On 29 April 2025, the Company granted 500,000 of the 2025 Share Options under the 2024 Share Option Scheme to each of the directors of the Board.
8. Calculated with reference to the number of issued Shares (630,663,336 shares) as at 31 December 2025.
9. Pursuant to an acting in concert confirmation dated 17 February 2023, Mr. Zhang Tiewei, Mr. Xu Kaiying, and Mr. Pang Haoquan confirmed they have been acting in concert, in exercising and implementing the management and operation of the Group with each other and reached consensus before making any commercial decisions (including financial decisions and business operation decisions) on an unanimous basis. Hence, they are deemed to be interested in 265,362,000 shares, representing approximately 42.08% of the total issued share capital of the Company as at 31 December 2025 by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company or their respective associates had any interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

Report of our Directors

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Name of director	Date of grant	Exercise Period (subject to vesting period)	Exercise price per share HK\$	Exercised during the period	Number of shares subject to outstanding options as at 31 December 2025	Approximate percentage of our Company's issued capital
Zhang Tiewei	29 April 2025	29 April 2026 – 28 April 2035	0.85	Nil	500,000	0.08%
	18 May 2020	18 May 2020 – 17 May 2030	0.84	Nil	400,000	0.06%
Li Bin	29 April 2025	29 April 2026 – 28 April 2035	0.85	Nil	500,000	0.08%
	17 October 2023	17 October 2024 – 16 October 2033	0.74	Nil	1,000,000	0.16%
Dai Jing	18 May 2020	18 May 2020 – 17 May 2030	0.84	Nil	400,000	0.06%
	29 April 2025	29 April 2026 – 28 April 2035	0.85	Nil	500,000	0.08%
Xu Kaiying	17 October 2023	17 October 2024 – 16 October 2033	0.74	Nil	900,000	0.14%
	18 May 2020	18 May 2020 – 17 May 2030	0.84	Nil	400,000	0.06%
Pang Haoquan	29 April 2025	29 April 2026 – 28 April 2035	0.85	Nil	500,000	0.08%
	18 May 2020	18 May 2020 – 17 May 2030	0.84	Nil	400,000	0.06%
Tsang Hung Kei	29 April 2025	29 April 2026 – 28 April 2035	0.85	Nil	500,000	0.08%
	18 May 2020	18 May 2020 – 17 May 2030	0.84	Nil	400,000	0.06%
Au Tien Chee Arthur	29 April 2025	29 April 2026 – 28 April 2035	0.85	Nil	500,000	0.08%
	18 May 2020	18 May 2020 – 17 May 2030	0.84	Nil	400,000	0.06%
Zhou Xiaojiang	29 April 2025	29 April 2026 – 28 April 2035	0.85	Nil	500,000	0.08%
	18 May 2020	18 May 2020 – 17 May 2030	0.84	Nil	400,000	0.06%

Further details of the Post-IPO Share Option Scheme and the 2024 Share Option Scheme are set out in the section headed "Share Option Schemes" in this annual report.

Save as disclosed above, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any rights to subscribe for the securities of the Company, or had exercised any such right during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any director or any person engaged in the full-time employment of our Company, concerning the management and administration of the whole or any substantial part of the business of our Company were entered into or existed during the year.

Report of our Directors

DIRECTORS' INTERESTS IN CONTRACTS

During the Reporting Period, no transaction, arrangement or contract of significance in relation to our Group's business to which our Company or any of its subsidiaries or associated company was a party and in which any director of our Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, nor had there been any transaction, arrangement or contract of significance entered into between our Group and a controlling shareholder of our Company in the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, no directors had interest in any business which directly or indirectly competes, or is likely to compete, with the business of our Group.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES AND TREASURY SHARE

On 18 May 2020, our Company granted 2020 Share Options to subscribe for an aggregate of 31,755,400 shares pursuant to the Post-IPO Share Option Scheme adopted on 18 October 2013. During the year ended 31 December 2025, 266,000 shares of the 2020 Share Options have been exercised, and none of the 2020 Share Options have been cancelled or lapsed. As at 31 December 2025, the 2020 Share Options to subscribe for 5,380,000 shares remained outstanding.

On 17 October 2023, our Company granted 2023 Share Options to subscribe for an aggregate of 5,703,000 shares pursuant to the Post-IPO Share Option Scheme adopted on 18 October 2013. During the year ended 31 December 2025, 960,000 shares options of the 2023 Share Options have been exercised, and none of the 2023 Share Options have been cancelled and lapsed. As at 31 December 2025, the 2023 Share Options to subscribe for 4,743,000 shares remained outstanding.

Report of our Directors

On 29 April 2025, our Company granted 2025 Share Options to subscribe for an aggregate of 9,000,000 shares pursuant to the 2024 Share Option Scheme adopted on 28 June 2024. During the year ended 31 December 2025, none of the 2025 Share Options have been vested. As at 31 December 2025, the 2025 Share Options to subscribe for 9,000,000 shares remained outstanding.

Save as disclosed above, during the year ended 31 December 2025, neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of our Company's listed securities (including treasury shares, if any). As at 31 December 2025, the Company did not hold any treasury shares. The Company did not sell treasury shares prior to fiscal year 2025.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Listing Rules 13.20 and 13.22.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The relationship between our Group and our customers has been stable. For the year ended 31 December 2025, our Group's five largest customers accounted for 77.93% (2024: 74.52%) of our Group's revenue and our single largest customer accounted for 29.66% (2024: 63.16%) of our Group's revenue.

For the year ended 31 December 2025, our Group's five largest suppliers accounted for 98.20% of our Group's purchase amount and our single largest supplier accounted for 34.10% of our Group's purchase amount.

None of the directors or any of their close associates or any shareholders which, to the best knowledge of the directors, own more than 5% of the Company's issued shares, had any interest in our Group's five largest suppliers and customers.

Report of our Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to our Company and within the knowledge of the directors, as at the date of this annual report, our Company maintains the prescribed percentage of public float under the Listing Rules.

NON-COMPETITION UNDERTAKING

Mr. Zhang Tiewei, Mr. Xu Kaiying, Mr. Pang Haoquan, Expert Depot Limited, Bliss Success Investments Limited and Novel Heritage Limited, each a controlling shareholder (as defined under the Listing Rules), entered into a deed of non-competition (the “**Deed of Non-competition**”) in favour of our Company on 18 October 2013 pursuant to which they have undertaken to our Company (for itself and for the benefit of its subsidiaries) that it or he would not, and would procure that its or his associates (other than any member of our Group) would not, directly or indirectly, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise) any business which is or may be in competition with the current businesses of our Group during the restricted period.

An annual confirmation has been received from each of the above mentioned controlling shareholders on compliance with each of their respective undertaking under the Deed of Non-competition.

The independent non-executive directors have reviewed the compliance with the Deed of Non-competition by the above mentioned controlling shareholders and confirmed that the Deed of Non-competition is fully complied with and duly enforced in the year ended 31 December 2025.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibilities, promoting the development of employees and deepening care for employees, protecting the environment and giving back to society, and practicing the concept of sustainable development.

The Group strictly abides by the laws and regulations related to environmental protection promulgated by the state and local governments, such as the Environmental Protection Law and the Energy Conservation Law of Chinese Mainland. It efficiently makes use of fuel, water and other natural resources. Having come into the knowledge that low-carbon transformation will be a process of continuous improvement, the Group will spared no efforts in conducting management and monitoring of the data collected during the course of operations. During the Reporting Period, we identified the risks and opportunities arising from climate change, set out carbon reduction goal and formulated relevant action plan for energy saving and emission reduction. We will continue to increase the use of renewable energies and strictly control waste discharge, striking a balance between promoting the development of enterprises and carrying out low-carbon and environmentally-friendly operations by adhering to the concepts of “green, scientific and environmental protection”.

Report of our Directors

There was no non-compliance case noted in relation to environmental laws and regulations for the year ended 31 December 2025.

The Group has established an environmental, social and governance group, which is responsible for regularly assessing the impact posted by business operations on the environment and report to the senior managements. The senior managements of our Group regularly assess the environmental performance of our business and analyze relevant risks. The Board of the Group regularly studies the potential impact of environmental risks on the Group adopt preventive measures as necessary to reduce the risks and ensure compliance of the relevant laws and regulations.

For further details of environmental, social and governance policies and performance of the Group, please refer to the Environmental, Social and Governance Report for the year ended 31 December 2025, which will be published on the websites of the Stock Exchange and the Company on or before 30 April 2026.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2025, the Company had complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company such as the “the Regulations on the Supervision and Administration of Financing Guarantee Companies” (《融資擔保公司監督管理條例》), “Provisional Measures for the Supervision and Administration of Financial Leasing Companies” (《融資租賃公司監督管理暫行辦法》), the “Interim Measures for the Administration of Internet Loans issued by Commercial Banks” (《商業銀行互聯網貸款管理暫行辦法》), the “Civil Code of the People’s Republic of China” (《中華人民共和國民法典》) and the “Environmental Protection Law of the People’s Republic of China” (《中華人民共和國環境保護法》).

The Group and its activities are subject to requirements under an array of laws, including the Civil Code of the People’s Republic of China, the Company Law of the People’s Republic of China, the Partnership Enterprise Law of the People’s Republic of China, the Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》), the Regulations on the Supervision and Administration of Financing Guarantee Companies, Provisional Measures for the Supervision and Administration of Financial Leasing Companies, the Interim Measures for Supervision and Administration of Private Investment Funds, the Administration Measures for Micro-credit Companies of Guangdong Province, the Labour Law of the People’s Republic of China, the Law of Chinese Mainland on the Prevention of Environmental Pollution Caused by Solid Waste, the Law of Chinese Mainland on Animal Pandemic Prevention as well as other applicable regulations, guidelines and policies issued or promulgated pursuant to these laws and regulations. In addition, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Securities and Futures Ordinance, the Companies Ordinance and the Employment Ordinance are also applicable to the Group. The Group ensures compliance with such requirements by taking various measures such as establishing internal control and approval procedures at all levels, improving the training mechanism and conducting post-event random inspections. The Group attaches great importance to the compliance of its businesses and operations, despite the fact that such measures will incur additional operating costs.

Report of our Directors

RELATIONSHIP WITH KEY STAKEHOLDERS

The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders by reason of their holdings of the shares. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the shares, they are advised to consult their professional advisers.

EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events undertaken by the Company or by the Group after 31 December 2025 and up to the date of this annual report.

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, save as set out in note 31 to the consolidated financial statements and elsewhere in this report, the Company had not entered into any connected transaction or continuing connected transaction which is required to be disclosed under the Chapter 14 and 14A of the Listing Rules.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by our Company are set out in the Corporate Governance Report on pages 59 to 77 on this annual report.

SOCIAL ENTERPRISE

While serving the local economic development and supporting micro, small and medium sized enterprises, the Group was also actively participated in charitable activities to fulfil social responsibilities, thereby establishing a good social image. Every year, Success Charity Foundation (集成愛心基金), which was voluntarily initiated by shareholders and employees of the Group, gives help and support to employees in need. It provides timely support and assistance to families of employees who suffer from serious illnesses or accidental injuries, and goes through difficult times with the employees and their families. During the Reporting Period, we proactively carried forward the corporate spirit of “Great Cause of Success, Serving the Society” by participating in the “Tongxin Charity Fund – Sanshui District Experimental Primary School (Nanshan School) Expansion Project (同心公益基金三水區實驗小學南山學校擴建項目)”. We also willingly made some donations. Additionally, we took the initiative in supporting the prevention and control of mosquito-borne infectious diseases in Beijiao Town, Shunde District, fulfilling social responsibilities with practical actions. In addition, Mr. Zhang Tiewei, the Chairman and Executive Director of the Group, was elected as the 4th Chairman of Foshan Overseas Chinese Investment Enterprises Association during the year, and is committed to take an active role in uniting, connecting and serving overseas Chinese investment enterprises. Mr. Zhang Tiewei has also been teaching as an off-campus tutor of the master’s degree of finance of Guangdong University of Finance and Economics to nurture brilliant students in joint efforts with higher institutions, assist students in developing the habit and thinking which integrate both theories and practices in learning, encourage students to tap into professional knowledge, train up their leadership skills and foster innovation and high moral standards. Furthermore, Mr. Zhang Tiewei also served as a supervising member of the Narcotics Association of Chancheng District in Foshan, contributed to drug prohibition efforts of Foshan by participating in anti-drug promotional events that enhanced the level of public knowledge on drugs.

Report of our Directors

AUDITORS

Forvis Mazars CPA Limited, the auditors of our Company, will retire at the conclusion of the forthcoming annual general meeting of our Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the AGM to be held at a time and date to be announced by the Company to seek shareholders' approval on the re-appointment of Forvis Mazars CPA Limited as our Company's auditors until the conclusion of the next annual general meeting and to authorise our Board to fix their remuneration.

The Company's previous auditor, KPMG, resigned on 16 November 2023. The board, with the recommendation from the Audit Committee, resolved to appoint Forvis Mazars as the new auditor of the Company with effect from 20 November 2023. Save as disclosed above, there were no other changes in the auditor of the Company during the past three years.

By order of our Board

Zhang Tiewei

Chairman and Executive Director

Foshan City, Guangdong Province, Chinese Mainland
27 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Our Company is committed to achieving and maintaining high standards of corporate governance consistent with the needs and requirements of its business and the shareholders. Our Board is responsible for, amongst other things, the development and review of the policies and practices on corporate governance of our Group and monitoring the compliance with legal and regulatory requirements, reviewing and monitoring the training and continuous professional development of directors and senior management, and reviewing the corporate governance compliance with the Code Provisions and disclosure in the annual report. Our Company has adopted and complied with the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules for the year ended 31 December 2025. The corporate governance principles of our Company emphasise a quality board, sound internal controls, and transparency and accountability to all shareholders. This corporate governance report has been reviewed by our Board in discharge of its corporate governance function.

Our directors will review our Company’s corporate governance policies and compliance with the Code Provisions from time to time.

VALUE, STRATEGY AND CULTURE

The Board strives to foster corporate culture with the following core principles and to ensure that the Company’s vision, values and business strategies are aligned to it.

Integrity and code of conduct

The Group endeavors to maintain high standards of business ethics and corporate governance across all our activities and operations. The directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group’s employee manual, the anti-corruption policy and the whistleblowing policy of the Group. The said policies had been available and sent to all staff for their reference. Regular updates and training are provided to reinforce the standard.

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is important to nurture commitment with the Group’s mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company’s strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Corporate Governance Report

THE BOARD

Our Board, led by the Chairman of our Company, is responsible for leadership and control of our Company and overseeing our Group's businesses, strategic decisions and performance. The Board has delegated to the senior management of the Company the authority and responsibility for the execution of the Group's strategies and the day-to-day management and operation of the Group. In addition, our Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. Any director may, in furtherance of their duties, take independent professional advice, where necessary, at the expense of the Company.

Our Board reserves its decision for all major matters of our Company, including: approving and monitoring all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters. Decisions relating to such matters shall be subject to formal decisions of the Board. Matters not specifically reserved to the Board and necessary for the daily operations of the Company are delegated to management under the oversight of the Board.

Daily management and administration functions are delegated to the management. Our Board delegates various responsibilities to the senior management of our Company. These responsibilities include implementing decisions of our Board, directing and coordinating day-to-day operation and management of our Company in accordance with the management strategies and plans approved by our Board, formulating and monitoring the operation and production plans and budgets, and supervising and monitoring the control systems.

In the year ended 31 December 2025, our Board held 5 formal meetings. Attendance of individual directors at our Board meetings for the year ended 31 December 2025 is as follows:

Name of Director	Attendance/ Number of board meeting held	Attendance Rate	Attendance by alternate director/ Number of board meeting held
Executive Directors:			
Mr. ZHANG Tiewei (<i>Chairman</i>)	5/5	100%	N/A
Mr. LI Bin (<i>Chief Executive Officer</i>)	5/5	100%	N/A
Ms. DAI Jing	5/5	100%	N/A
Mr. XU Kaiying	5/5	100%	N/A
Mr. PANG Haoquan	5/5	100%	N/A
Independent Non-Executive Directors:			
Mr. TSANG Hung Kei	5/5	100%	N/A
Mr. AU Tien Chee Arthur	5/5	100%	N/A
Mr. ZHOU Xiaojiang	5/5	100%	N/A

Corporate Governance Report

In the year ended 31 December 2025, apart from the meetings of our Board, consent/approval from our Board was also obtained by written resolutions on a number of matters. The Chairman held meetings with the Independent Non-Executive Directors without any other Directors present (except himself).

Chairman and executive directors

The Chairman and executive director, Mr. Zhang Tiewei, provides leadership for our Board and ensures that our Board works effectively and all important issues are discussed in a timely manner. Mr. Li Bin, the Chief Executive Officer (the “CEO”), takes the lead in our Group’s operations and business development. The positions of the Chairman and the CEO are held by separate individuals to maintain an effective segregation of duties.

Board composition

Currently, our Board comprises eight directors, including five executive directors and three independent non-executive directors. The current composition of our Board is as follows:

Name of Director	Membership of board committee(s)
Executive Directors:	
Mr. ZHANG Tiewei (<i>Chairman</i>)	Member of remuneration committee
Mr. LI Bin (<i>Chief Executive Officer</i>)	
Ms. DAI Jing	Member of nomination committee
Mr. XU Kaiying	
Mr. PANG Haoquan	
Independent Non-Executive Directors:	
Mr. TSANG Hung Kei	Chairman of audit committee Chairman of nomination committee Member of remuneration committee
Mr. AU Tien Chee Arthur	Member of audit committee
Mr. ZHOU Xiaojiang	Chairman of remuneration committee Member of nomination committee Member of audit committee

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors. In addition, pursuant to Rules 3.10A and 3.10(2) of the Listing Rules, every listed issuer is required to have such number of independent non-executive directors representing at least one-third of the board and at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Mr. Tsang Hung Kei is admitted as a fellow member of the Association of Chartered Certified Accountants, a fellow member of Hong Kong Institute of Certified Public Accountants and a fellow member of The Institute of Chartered Accountants in England and Wales.

Corporate Governance Report

Our Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. To the best of the knowledge of our Company, having made all reasonable enquiries, none of the independent non-executive directors failed to meet any of the independence guidelines set out in Rule 3.13 of the Listing Rules. Our Board has assessed the independence of all the independent non-executive directors and considered that all the independent non-executive directors are independent.

The biographies of our directors are set out on pages 78 to 82 of this annual report. Save as disclosed in the biographies of the directors, our Board members do not have any family, financial or business relationship with each other. The list of directors has been published on the website of our Company and the website of the Stock Exchange, and is disclosed in all corporate communications issued by our Company pursuant to the Listing Rules from time to time.

Appointment, re-election and removal of directors

Each of the executive directors has entered into a service contract with our Company. Except for Ms. Dai Jing, whose service agreement commenced on 1 January 2024 the terms of other directors' service contracts are for an initial term of three years commencing on 1 May 2025 and is subject to the re-appointment of each of our directors by our Company at an annual general meeting upon retirement by rotation.

The Articles of Association provide that any director appointed by our Board (i) to fill a casual vacancy in our Board shall hold office only until the next following general meeting of our Company and shall be subject to re-election at such meeting; and (ii) as an addition to our Board shall hold office until the next annual general meeting of our Company and shall then be eligible for re-election.

In addition, every director should be subject to retirement by rotation at least once every three years. At every annual general meeting, one-third of our directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation according to Article 108(a) of the Articles of Association of the Company.

Non-executive directors

Each of the non-executive directors and independent non-executive directors has signed a letter of appointment with our Company. Pursuant to the letters of appointment of our non-executive directors (including our independent non-executive directors), the term of appointment of each of such directors is three years commencing on 1 May 2025, which may be terminated by either party by giving one month's written notice.

Under the latest revisions to the Corporate Governance Code, compliance by the first annual general meeting held on or after 1 July 2028 (Phase One), the majority of independent directors on the board (i.e. more than 50%) must be those who have served for less than nine years. Compliance by the first annual general meeting held on or after 1 July 2031 (Phase Two), the board must not have any independent director who has served for nine years or more (the "**Long Serving INED**").

Corporate Governance Report

The Group maintains comprehensive succession planning and has allocated sufficient time to recruit new independent directors to replace Long Serving INED, thereby ensuring the Group complies with the latest corporate governance code requirements.

Board Independence

The Company recognises that Board independence is crucial in good corporate governance and effectiveness of the Board. The Board has established mechanisms to ensure independent views and input from any Director of the Company are delivered to the Board for building an objective and effective decision.

The following mechanism is reviewed annually by the Board, in order to ensure the effectiveness:

1. Three out of the eight directors are independent non-executive directors, which meets the requirements of the Listing Rules that the Board must have at least three independent non-executive directors and must appoint independent non-executive directors representing at least one-third of the Board.
2. The Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new independent non-executive director before appointment and also the continued independence of existing independent non-executive directors and their time commitments annually. On an annual basis, all independent non-executive directors are required to confirm in writing their compliance of independence requirements pursuant to the Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.
3. The Nomination Committee will conduct the performance evaluation of the independent non-executive directors annually to assess their contributions.
4. External independent professional advice is available as and when required by individual directors.
5. No equity-based remuneration with performance-related elements will be granted to independent non-executive directors.
6. A director (including independent non-executive director) who has a material interest in a contract, arrangement or other proposal shall not vote or be counted in the quorum on any Board resolution approving the same.
7. The Chairman of the Board meets with independent non-executive director annually without the presence of the executive directors and non-executive directors.

Corporate Governance Report

Directors' securities transactions

Our Company has adopted the standard set out in the Model Code, in relation to the dealings in securities of our Company by our directors. Having made specific enquiry of all directors, each director has confirmed that he/she has complied with the standard set out in the Model Code since the date of listing of the Company (or on the date of his/her appointment) and up to the date of this annual report.

Insurance for directors

The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

BOARD DIVERSITY

Our Company adopted a board diversity policy (the "**Board Diversity Policy**") on 15 March 2019. A summary of this Board Diversity Policy, together with the measurable objectives set for implementing this Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below:

Vision of our Board Diversity Policy

The Company acknowledge its Board of directors should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of race, gender, disability, nationality, religious or philosophical belief, age, sexual orientation, family status or any other factor. The Company believes that board diversity enhances decision-making capability and a diverse board is more effective in dealing with organizational changes and less likely to suffer from group thinking. Board diversity is recognised as an essential element contributing to the sustainable development of the Company by enabling it to attract, retain and motivate employees from the widest possible pool of available talent.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Progress in achieving gender diversity

The Company has appointed one female director to the Board and the Nomination Committee includes one female member. Both the Board and the Nomination Committee have achieved the level of gender diversity requirements stipulated by the Listing Rules.

Implementing and monitoring

The nomination committee is responsible for (i) identifying suitably qualified candidates to become members of our Board; (ii) reviewing the Board Diversity Policy on an annual basis to ensure its effectiveness; and (iii) discussing any revisions that may be required, and recommend any such revisions to the Board for consideration and approval. The nominating committee takes into account the objective of gender diversity in selecting potential directors' successors. The Board has considered the recommendation of the Nomination Committee and reviewed the implementation and effectiveness of the Board Diversity Policy for the year under review.

Employee diversity

Among the 5 members of our Company's senior management (including the chief executive officer and the chief operating officer), male account for 80% and female account for 20%. Among all employees of the Group (excluding senior management), male employees account for 61.43% and female employees account for 38.57%. The Group believes that the gender ratio of employees is within the reasonable range.

CONTINUING PROFESSIONAL DEVELOPMENT

Our Company is responsible for arranging and funding suitable training for our directors relating to the roles, functions and duties of a listed company director. Our Company Secretary from time to time updates and provides training to our directors, and organises seminars on the latest development of the Listing Rules, applicable laws, rules and regulations relating to directors' duties and responsibilities. Our directors participated in courses relating to the roles, functions and duties of a listed company directors by training. Our directors may request our Company, pursuant to the policy for directors to seek independent professional advice, to provide independent professional advice at the expense of our Company to discharge their duties to our Company.

BOARD COMMITTEES

Nomination Committee

The nomination committee of our Company was established on 18 October 2013 and adopted written terms of reference on 18 October 2013, amended on 15 March 2019 and 28 August 2025 in compliance with the Listing Rules. The duties of our nomination committee include (but without limitation) (a) to review the structure, size, composition and diversity (including the gender, age, cultural and educational background or professional experience of the directors) of the Board at least annually; (b) to assess the Board's performance at least once every two years (including the skills, knowledge, expertise and qualifications and the time devoted by the directors in fulfilling their responsibilities); (c) to identify individuals suitably qualified to become members of the Board and may select individuals nominated for directorship; (d) to assess the independence of our independent non-executive directors; (e) to make recommendations to our Board on matters such as Board structure, the roles, responsibilities, capabilities, skills, knowledge and experience required from members of the Board, selection and the re-selection of the directors etc., and (f) to review the Board Diversity Policy adopted by the Board on a regular basis.

Corporate Governance Report

Current members of the nomination committee are Mr. Tsang Hung Kei and Mr. Zhou Xiaojiang, both of whom are independent non-executive directors, and Ms. Dai Jing, an executive director. Mr. Tsang Hung Kei is the chairman of the nomination committee.

The Company continuously seeks to enhance the effectiveness of the Board and to maintain a high standard of corporate governance and recognises and embraces the benefits of diversity in the composition of the Board.

After considering the characteristics of the Group's business model and other relevant factors, such as skills, knowledge, gender or age, the nomination committee considered that the current composition of the Board reflects the balance of skills, educational background, experience and diversity of perspectives desirable for effective management of the Company. The nomination committee will continue to review the diversity policy of the Board from time to time to ensure its continued effectiveness and to identify qualified candidates on a merit basis and candidates will be considered against objective criteria, with due regard to the benefits of diversity on the Board.

For the year ended 31 December 2025, the nomination committee held 2 meetings. Attendance of individual members of the nomination committee for the year ended 31 December 2025 is as follows:

Name of Director	Attendance/Number of meetings held
Mr. Zhang Tiewei	2/2
Mr. Tsang Hung Kei	2/2
Mr. Zhou Xiaojiang	2/2
Ms. Dai Jing	0/0

Note:

1. The meetings were attended by the directors themselves, not an alternate.
2. On 10 October 2025, Mr. Zhang Tiewei retired as the chairman of the nomination committee and Mr. Tsang Hung Kei was appointed as the chairman of the nomination committee, Ms. Dai Jing was appointed as a member of the nomination committee.

The terms of reference of the nomination committee are available on the website of our Company and the website of the Stock Exchange.

Corporate Governance Report

The work performed by the nomination committee during the year ended 31 December 2025 is summarised as follows:

1. reviewed structure, size and diversity of the Board;
2. reviewed the independence of the independent non-executive directors;
3. made recommendations to the Board on the appointment and redesignation of directors and the nomination of directors for re-election at the annual general meeting;
4. made recommendations to the Board on the change of the nomination committee in response to the amendments to the Listing Rules; and
5. made recommendations to the Board on the appointment of senior management personnel of the subsidiary companies.

Remuneration Committee

The remuneration committee of our Company was established on 18 October 2013 with written terms of reference in compliance with the Listing Rules. The duties of our remuneration committee include (but without limitation) (a) making recommendations to our Board on our policy and structure for all remuneration of our directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (b) determining the specific remuneration packages of all our executive directors and senior management, including benefits in kind, pension rights and compensation payments; (c) making recommendations to our Board of the remuneration of our directors; and (d) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

The existing members of the remuneration committee include Mr. Zhang Tiewei, Mr. Zhou Xiaojiang and Mr. Tsang Hung Kei. Both Mr. Zhou Xiaojiang and Mr. Tsang Hung Kei are independent non-executive directors and Mr. Zhang Tiewei is an executive director. Mr. Zhou Xiaojiang is the chairman of the remuneration committee.

For the year ended 31 December 2025, the remuneration committee held 2 meetings. Attendance of individual members of the remuneration committee for the year ended 31 December 2025 is as follows:

Name of Director	Attendance/Number of meetings held
Mr. Zhou Xiaojiang	2/2
Mr. Zhang Tiewei	2/2
Mr. Tsang Hung Kei	2/2

Note: The meetings were attended by the directors themselves, not an alternate.

Corporate Governance Report

The terms of reference of the remuneration committee are available on the website of our Company and the website of the Stock Exchange.

The work performed by the remuneration committee during the year ended 31 December 2025 is summarised as follows:

1. made recommendations to the Board on the share options, remuneration packages and policy of directors, senior management and employees; and
2. evaluated the performance of all directors and senior management.

Remuneration of senior management

The remuneration of the members of the senior management of the Company (including the chief executive officer and the chief operating officer) by band for the year ended 31 December 2025 is set out below:

Remuneration Bands	Number of Individuals
Nil to HK\$1,000,000	4
HK\$1,000,001 to HK\$1,500,000	1

Remuneration policy

The remuneration policy of the Group for the directors and senior management members of the Company was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the performance of the Group and the individual performance of the directors and senior management members of the Company.

Share option scheme

On 29 April 2025, the Company granted options to subscribe for an aggregate of 9,000,000 shares pursuant to the 2024 Share Option Scheme adopted on 28 June 2024. The exercise price for the options granted is HK \$0.85 per Share. The Share Options shall not be subject to any future performance target and do not carry a clawback mechanism.

The Remuneration Committee of the Company is of the view that, as the Share Options are granted primarily based on: (a) each Grantee's experiences in the Group's business, length of service to the Group and contribution and dedication to the promotion of the Group's business; and (b) the Grantees are directors or employees of the Group who will directly contribute to the overall business performance, sustainable development and/or good corporate governance of the Group, the Share Options (which do not have future performance target) align the interests of the Grantees with those of the Company and the Shareholders, thereby motivating the Grantees to dedicate themselves to the Company's sustained competitiveness, operational results, and future growth. This is consistent with the objectives of the Share Option Scheme.

Corporate Governance Report

During the year ended 31 December 2025, the remuneration committee has not reviewed and/or approved any terms, movement, scheme mandate limit and material matters related to share option schemes and share schemes.

Audit committee

The audit committee of our Company was established on 18 October 2013 and adopted written terms of reference on 18 October 2013 and amended on 31 December 2015 and 15 March 2019 in compliance with the Listing Rules. The duties of our audit committee include (but without limitation) (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor; (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services; (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them; and (e) to review the Company's financial controls, the Company's internal control and risk management systems.

The existing members of the audit committee include Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur and Mr. Zhou Xiaojiang, all of whom are independent non-executive directors. Mr. Tsang Hung Kei is the chairman of the audit committee.

The Audit Committee has reviewed this annual report and the consolidated financial statements of our Company for the year ended 31 December 2025. The Audit Committee is of the view that the consolidated financial statements of our Company for the year ended 31 December 2025 have been prepared in accordance with the applicable accounting standards, the Listing Rules and statutory provisions, and sufficient disclosures have already been made.

For the year ended 31 December 2025, the audit committee held 2 meetings. Attendance of individual members of the audit committee for the year ended 31 December 2025 is as follows:

Name of Director	Attendance/Number of meetings held
Mr. Tsang Hung Kei	2/2
Mr. Au Tien Chee Arthur	2/2
Mr. Zhou Xiaojiang	2/2

Note: The meetings were attended by the directors themselves, not an alternate.

The terms of reference of the audit committee are available on the website of our Company and the website of the Stock Exchange.

Corporate Governance Report

The work performed by the audit committee during the year ended 31 December 2025 is summarised below:

1. reviewed the Group's annual and interim results statements and the related result announcements, documents and other matters or issues raised by external auditors;
2. reviewed the findings from external auditors;
3. reviewed the independence of the external auditors and engagement of external auditors for annual audit;
4. reviewed the audit plans, internal control plan, the development in accounting standards and its effects on the Group, financial reporting matters and risk management;
5. reviewed the adequacy of resources, qualifications, experience of staff of the Group's accounting and financial reporting function;
6. approved the current year external audit plan, reviewed and monitored internal control performance as well as the effectiveness of the internal control system;
7. reviewed the corporate governance compliance; and
8. making recommendation to the Board of directors on the appointment of the external auditor, to approve the remuneration and terms of engagement of the external auditor.

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

Financial results of our Group are announced in a timely manner in accordance with all statutory requirements, particularly the timeframe stipulated in Rule 13.49(1) and (6) of the Listing Rules.

All directors acknowledge their responsibility for preparing the consolidated financial statements of our Group for the year ended 31 December 2025. Currently, our Company's external auditor is Forvis Mazars CPA Limited (the "**Auditor**").

During the year ended 31 December 2025, the remuneration paid or payable to the Auditor comprises service charges for the following:

Service Category	2025 RMB'000
Audit service	1,590
Non-audit service	505

Corporate Governance Report

The statement of the Auditor about their reporting responsibilities on the consolidated financial statements of our Group is set out in the Independent Auditor's Report on pages 83 to 87 of this annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board oversees the overall risk management of our Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. Our Board recognises that sound and effective risk management and internal control systems are important to safeguard our shareholders' investment and our Company's assets, and recognises that its responsibility to ensure that our Company maintains a sound and effective risk management and internal control system and the review thereof. Our Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks.

For the year ended 31 December 2025, review of our Group's internal controls covered major financial, operational and compliance controls, as well as risk management functions. The internal control review of the Group was conducted semiannually. The controls that were built into the risk management system are intended to manage significant risks in our Group's business environment.

Process used to Identify, Evaluate and Manage Significant Risks

The processes used to identify, evaluate and manage significant risks by our Group are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect our Group's business and operations.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Corporate Governance Report

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

The implementation of risk management framework of our Group was assisted by our Group's risk management department, so that our Group could ensure new and emerging risks relevant to our Group's operation are promptly identified by management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans. The Company has established internal control function for risk management through the Internal Control and Compliance Management Department and the Risk Management Department. The internal control department audit the effectiveness of the Company's risk management and internal monitoring system and evaluate whether the Company's risk management mechanism is implemented effectively and efficiently. The scope, work and findings of the internal control carried out are reported to the Audit Committee of the Company. These are on-going processes and our Audit Committee reviews periodically our Group's risk management systems. Our Audit committee reported to our Board the implementation of our Group's risk management and internal control policy which, among other things, included the determination of risk factors, evaluation of risk level our Group could take and effectiveness of risk management measures.

Based on the reports from our Group's risk management department and our Audit Committee, our Board considers that our Group's risk management and internal control system is adequate and effective and our Group has complied with the provisions on risk management and internal controls as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules. However, the Company's risk management and internal monitoring framework can only manage rather than completely eliminate risks that may affect the Company's ability to accomplish its business objectives. Therefore, the board can provide a reasonable but not an absolute assurance for the avoidance of material misstatement or loss.

INSIDE INFORMATION

With a view to handling and disseminating inside information in compliance with the SFO, procedures, including notification of regular blackout period and securities dealing restrictions to relevant directors and employees, identification of projects by code name, and dissemination of information to stated purpose and on a need-to-know basis, have been implemented by the Group to guard against possible mishandling of inside information within the Group.

Anti-corruption and whistle blowing

The Group sets up a high business integrity and ethics in its corporate culture through communication with employees on the provisions of amongst other things, anti-corruption policy. Employees are encouraged to take part in the promotion of high ethical standards. The Company has also adopted whistle blowing policy and employees are encouraged to raise awareness of identification of possible improprieties, and to voice out without fear of reprisals. The Group provides clear guidance on the whistleblowing policy and procedures by defining the activities which constitute misconduct or malpractice, formulating the reporting procedures of allegation by the whistleblowers and the investigation procedures, and specifying the protection and support provided to the whistle blowers. Audit Committee has overall responsibility to ensure investigation procedures of suspect improprieties are properly conducted, and to protect the whistleblowers from being unfairly dismissed, victimised or punished.

COMPANY SECRETARY

The company secretary is Mr. Pang Chung Fai Benny (the “**Company Secretary**”). Please refer to his biographical details set out on page 82 of this annual report. All directors have access to our Company Secretary to ensure that board procedures and all applicable law, rules and regulations, are followed. During the year, our Company Secretary has taken no less than 15 hours relevant professional training as required under rule 3.29 of the Listing Rules.

EFFECTIVE COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Our Board recognises the importance of maintaining a clear, timely and effective communication with our shareholders. Our Board also recognises that effective communication with our Company’s investors is critical in establishing investor confidence and to attract new investors. Therefore, our Group is committed to maintaining a high degree of transparency to ensure our shareholders and the investors of our Company will receive accurate, clear, comprehensive and timely information of our Group through the publication of annual reports, interim reports, announcements and circulars. A summary of the Company’s shareholders’ communication policy is as follows:

The annual general meetings and other general meetings of the Company are the primary forum for communication by the Company with its shareholders and provide an opportunity for the Shareholders to meet with and question the directors and management of the Company and for the Company to solicit and understand the views of shareholders and stakeholders. Chairmen of the Audit Committee, remuneration committee, nomination committee and any other committees (if any), or in the absence of the chairmen of such committees, another member of such committees or failing this the duly appointed delegates, are invited to attend and answer questions at the annual general meetings. The Company will inform the public all notices of general meetings and the relevant explanatory materials by placing the same on the Stock Exchange’s website and the Company’s website, and sent electronically or printed copies to Shareholders as per their requests.

Corporate Governance Report

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at such meetings for and on their behalf if they are unable to attend such meetings. Shareholders may deposit proxy forms according to the instruction as specified therein for general meetings of the Company to the share registrar. The forthcoming AGM of the Company will be held at a time and date to be announced by the Company.

A dedicated investor relations section is available on the Company's corporate website (<http://www.chinasuccessfinance.com/>). Corporate information, news releases and other information on the Company's corporate website is updated on a regular basis. The Company will place on its corporate website all announcements, circulars, financial reports published pursuant to the Listing Rules as its official release of material information to the market as soon as reasonably practicable after such information is released to the Stock Exchange.

The Company's shareholder communication policy is subject to regular review by the Audit Committee of the Company and will be amended, as appropriate, in response to changes in internal structure, legislative, regulatory and market developments to reflect current best practice in communications with the Shareholders and the investment community.

The Board has reviewed the implementation and effectiveness of the communication policy with Shareholders including steps taken at general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Communication Policy with Shareholders has been properly implemented during the year under review and is effective.

Moreover, the Company's AGM encourages face-to-face communication with shareholders. Members of the Board and chairmen of various board committees will attend the forthcoming AGM. The directors will answer questions on the performance of the Group raised by shareholders.

The Company disseminate corporate communications, including but not limited to, annual and interim reports, circulars and notices to general meeting electronically on the websites of the Company and the Stock Exchange. The Company has informed Shareholders that such arrangement is in place and has asked Shareholders to provide their email address for dissemination of actionable corporate communications, which includes but not limited to election forms in connection with a dividend payment, provisional allotment letters in connection with a rights issue and acceptance forms in connection with takeovers, mergers and share buy-backs. Shareholders may request the Company to provide hard copies of corporate communications and actionable corporate communications.

Corporate Governance Report

In the year ended 31 December 2025, the Company held 1 general meeting. Attendance of individual directors at our general meeting is as follows:

Name of Director	Attendance/ Number of general meeting held	Attendance rate
Executive Directors:		
Mr. ZHANG Tiewei (<i>Chairman</i>)	1/1	100%
Mr. LI Bin (<i>Chief Executive Officer</i>)	1/1	100%
Ms. DAI Jing	1/1	100%
Mr. XU Kaiying	1/1	100%
Mr. PANG Haoquan	1/1	100%
Independent Non-Executive Directors:		
Mr. TSANG Hung Kei	1/1	100%
Mr. AU Tien Chee Arthur	1/1	100%
Mr. ZHOU Xiaojiang	1/1	100%

SHAREHOLDERS' RIGHTS

1. Procedures for Shareholders to convene an Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of our Company having the right of voting at general meetings. Such requisition shall be made in writing to our Board or our Company Secretary for the purpose of requiring an extraordinary general meeting to be called by our Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If, within 21 days of such deposit, our Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of our Board shall be reimbursed to the requisitionist(s) by our Company.

Corporate Governance Report

2. Procedures for raising enquiries

Shareholders may direct their queries about their shareholdings, share transfer, registration and payment of dividend to our Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited:

Address : 17M Floor Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Online Feedback Platform : https://www.computershare.com/hk/en/online_feedback

Tel : (852) 2862 8555

Fax : (852) 2865 0990/2529 6087

Shareholders may raise enquiries in respect of our Company at the following designated contact, correspondence address, email address and enquiry hotlines of our Company:

Attention : Mr. Li Bin

Address : 604, 6th Floor
Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

Email : hkinfo@chinasuccessfinance.com

Tel : (852) 2180 7189

3. Procedures for putting forward proposals at Shareholders' Meetings

a) Proposal for election of a person other than a director as a director:

Pursuant to Article 113 of the Articles of Association, a shareholder who wishes to propose a person other than a retiring director for election to the office of director at any general meeting should lodge (i) notice in writing of the intention to propose that person for election as a director; and (ii) notice in writing by that person of his willingness to be elected, at either (a) our Company's Hong Kong office 604, 6/Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, or (b) the registration office of our Company in Hong Kong at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The period for lodgment of the notices mentioned above will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to our Company may be given will be at least seven days.

b) Other proposals:

If a Shareholder wishes to make other proposals (the “**Proposal(s)**”) at a general meeting, he may lodge a written request, duly signed, at our Company’s Hong Kong office 604, 6/Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.

The identity of the Shareholder and his/her request will be verified with our Company’s Hong Kong share registrar and upon confirmation by the share registrar that the request is proper and in order, and is made by a Shareholder, our Board will in its sole discretion decide whether the Proposal may be included in the agenda for the general meeting to be set out in the notice of meeting.

The notice period to be given to all the shareholders for consideration of the Proposal raised by the shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- i. Notice of not less than 21 days in writing if the Proposal requires approval in an annual general meeting of our Company.
- ii. Notice of not less than 21 days in writing if the Proposal requires approval by way of a special resolution in an extraordinary general meeting of our Company.
- iii. Notice of not less than 14 days in writing if the Proposal requires approval by way of an ordinary resolution in an extraordinary general meeting of our Company.

Constitutional documents

Pursuant to a special resolution of the shareholders passed on 18 October 2013, the Amended and Restated Memorandum and Articles of Association were adopted with effect from the Listing Date. The Second Company’s Amended Memorandum and Articles of Association was adopted, with shareholders’ approval in 2023 AGM on 26 May 2023, to comply with the set of 14 core shareholder protection standards set out in the amended Listing Rules. The Company’s Third Amended Memorandum and Articles of Association was adopted, with shareholders’ approval in 2024 AGM on 28 June 2024, to comply with the expand the paperless listing regime set out in the amended Listing Rules. The Company’s Fourth Amended Memorandum and Articles of Association was adopted, with shareholders’ approval in 2025 AGM on 27 June 2025, to comply with the further expand the paperless listing regime set out in the amended Listing Rules.

During the year ended 31 December 2025, the Fourth Amended and Restated Memorandum and Articles of Association of our Company are available on the website of our Company and the website of the Stock Exchange.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. ZHANG Tiewei, aged 64, is one of the founders of our Group. He was appointed as our director on 16 January 2012 and redesignated as the Chairman of our Board and executive director on 18 October 2013. Mr. Zhang is responsible for our Group's strategic planning and overall business management.

Mr. Zhang has more than 27 years of experience in the financial industry in Chinese Mainland during which Mr. Zhang has been acting as (i) the director of Great Wall Futures Co., Ltd. from 1997 to September 2020 which engages in commodity futures brokerages and financial futures brokerages; (ii) the chairman of Foshan Chancheng Success Micro Credit Co., Ltd. ("**Success Credit**") since its establishment in 2009 which engages in the provision of small loans lending; (iii) the director of Guangdong Success Venture Capital Company Limited since 2008 which engages in venture capital; (iv) the Chairman of Success Investment Holdings Group Company Limited ("**Success Investment Holdings**") since its establishment in 2005 which engages in the investment in real estate, public utilities, medical and industrial project; (v) the director of Foshan Success Finance Group Company Limited ("**Foshan Success Finance**") which engages in the investment in the modern financial industry, investment in the financial services industry, capital management, asset management, etc; and (vi) the chairman of Xinjiang Jianashi Motorcycle Co., Ltd. (新疆嘉納仕摩托車有限公司) ("**Xinjiang Jianashi**"). Mr. Zhang accumulated business and financial experiences which are relevant to the business of our Group when acting as the director or chairman of the above named companies. Mr. Zhang has also been acting as the legal representative and chairman of Success Guarantee, a subsidiary of the Group, since its establishment in 1996. Mr. Zhang is also a director of each of Double Chance Developments Limited, China Success Capital Limited, China Success Finance Holdings Limited, Guangdong Success Asset Management Company Limited ("**Success Asset**"), Foshan Success Financial Leasing Company Limited ("**Success Financial Leasing**"), Shenzhen Qianhai Success Kaiyue Holdings Co., Ltd. (深圳前海集成凱粵控股有限公司) ("**Qianhai Success Kaiyue**") and Hong Kong Digital Asset Investment Limited, all being subsidiaries of the Group.

Mr. Zhang is currently the vice chairman of the 15th executive committee of Foshan General Chamber of Commerce, the honorary president of the 5th General Chamber of Commerce of Chancheng District and the 4th chairman of Foshan Overseas Chinese Enterprises Association in 2023. Mr. Zhang was a member of the 10th, 11th and 12th Foshan Committee of the Chinese People's Political Consultative Conference, the standing committee member of the 11th executive committee of Guangdong Federation of Industry & Commerce and the chairman of the 1st council of Foshan Investment Chamber of Private Entrepreneurs. Mr. Zhang has been awarded as an Outstanding Corporate Manager in Guangdong Province in 2011 by the Guangdong Enterprises Confederation and the Guangdong Entrepreneurs Association. He was also granted the title of "Top 10 Influential Men in Economy of Guangdong" in 2013 and was granted the honorable title of "The Fifth Excellent Constructors of the Socialism Undertaking with Chinese Characteristics of the Players of Non-public Sectors of the Economy in Guangdong Province" in 2019. Mr. Zhang was conferred Doctorate in Business Administration by Singapore Management University in February 2020.

Biographical Details of Directors and Senior Management

Mr. LI Bin, aged 53, was the executive director and the chief executive officer of our Group. Mr. Li joined our Group in 2006 as an assistant to the general manager and the manager of the post-guarantee management department of Success Guarantee, a subsidiary of the Group. He was promoted to general manager of Success Guarantee in 2009 and was appointed as the executive director and the chief executive officer of the Group on 18 October 2013. Mr. Li resigned as the chief executive officer of our Company with effect from 15 September 2014 in order to focus his time and effort on the development of the guarantee business of the Company and continue to serve as an executive director of our Company. Mr. Li was appointed as the chief operating officer of our Group on 31 August 2015 and is responsible for overseeing our Group's operations and internal management system. He was appointed as the vice chairman of Success Guarantee in 2016. He resigned from the chief operating officer of the Group and was appointed as the chief executive officer of the Group on 18 May 2018, and he will continue to serve as an executive director. Mr. Li is also the general manager of Success Financial Leasing as well as the director and general manager of Foshan Success Cloud Technology Company Limited, all being subsidiaries of the Group.

Prior to joining our Group, Mr. Li had worked at the Foshan branch of Bank of China from 1993 to 2005 and was responsible for sales and marketing activities in the bank and specialising in the provision of loans and credits which are relevant to the business of our Group. His last position in the bank was assistant manager of the sales department. Mr. Li obtained a master of business administration degree from Jinan University in Guangdong, Chinese Mainland in June 2007.

Ms. DAI Jing, aged 55, was the executive director and the chief operating officer of our Company, effective from 18 May 2018. Ms. Dai joined Success Investment Holdings in August 2006 as manager of the legal affairs department and was subsequently promoted to vice general manager of Success Guarantee, a subsidiary of the Group, in January 2007. She was promoted to senior vice general manager and general manager of Success Guarantee in January 2010 and April 2016, respectively. Ms. Dai is also the supervisor of Success Financial Leasing, a subsidiary of the Group. Prior to joining our Group, Ms. Dai worked at the Bank of China from 1993 to 2005 for handling credit approval, credit management and asset protection. Her last position with the Bank of China was deputy manager of the asset protection department. Ms. Dai also worked with the China Merchants Bank from 2005 to 2006 as a manager for handling bank management matters. Ms. Dai was admitted as a lawyer in Chinese Mainland in September 1995. Ms. Dai obtained a bachelor's degree in law from Wuhan University in Hubei, Chinese Mainland in July 1993.

Mr. XU Kaiying, aged 62, was appointed as our non-executive director on 18 October 2013 and re-designated as our executive director on 4 July 2016. Mr. Xu invested in our Group as a shareholder of Success Guarantee, a subsidiary of the Group, in February 2001. Mr. Xu is the chairman of Guangdong MuPai Technology Limited Company, and a director of each of Foshan Success Industry Investment Company Limited, Success Investment Holdings, Foshan Finance and Xinjiang Jianashi (新疆嘉納仕). Mr. Xu is also a director of China Success Capital (HK) Limited ("**Success Capital (HK)**") and the vice chairman of Success Guarantee, both being subsidiaries of the Group.

Biographical Details of Directors and Senior Management

Mr. Xu is a member of the 5th National People's Congress of Chancheng District, Foshan City and the Executive Chairman of the Foshan Chamber of Commerce for Private Enterprises Investors. And he was, a standing member of the 14th Executive Committee of the Foshan Federation of Industry and Commerce (General Chamber of Commerce) and a member of the 10th, 11th and 12th Foshan Municipal Committee of the Chinese People's Political Consultative Conference. Mr. Xu obtained a bachelor's degree in finance management from Beijing Economic and Technological College in July 2008. Mr. Xu has completed a post-EMBA degree at the Peking University.

Mr. PANG Haoquan, aged 61, was appointed as our non-executive director of the Group on 18 October 2013 and re-designated as our executive director on 6 January 2017. Mr. Pang invested in our Group as a shareholder of Success Guarantee, a subsidiary of the Group, in February 2001. Mr. Pang is a director of each of Success Investment Holdings, Foshan Finance and Xinjiang Jianashi (新疆嘉納仕) as well as the chairman of Guangdong Yinhe Motor Group Company Limited (廣東銀河摩托車集團有限公司). Mr. Pang is also a director of the Success Capital (HK), a subsidiary of the Group. Mr. Pang obtained a diploma in automation from Guangzhou Open University in July 1982.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. TSANG Hung Kei, aged 55, was appointed as our independent non-executive director on 18 October 2013. Mr. Tsang has more than 30 years of experience in financial management and reporting and corporate governance. He is a Fellow of the Association of Chartered Certified Accountants, a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Institute of Chartered Accountants in England and Wales. He had years of working experience in an international accounting firm and is currently the chief financial officer of Pak Fah Yeow International Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Main Board**"), and an executive director of its major subsidiaries. He is also an independent non-executive director of China Changbaishan International Holdings Limited (formerly known as Hua Yin International Holdings Limited) and Oriental Media Group Limited, the issued shares of which are listed on the Main Board. Mr. Tsang holds a bachelor degree in computer science and accounting at the University of Manchester, United Kingdom.

Mr. AU Tien Chee Arthur, age 53, was appointed as our independent non-executive director on 18 October 2013. Mr. Au is a lawyer with over 20 years of legal and industry operations experience in corporate and private practice settings. He is currently the managing director of Apeirospect Limited, a legal and corporate consultancy. Previously, he held senior leadership positions at an international medical device company and a global electric vehicle manufacturer in Hong Kong. Mr. Au worked closely with multinational companies in Hong Kong such as The Hong Kong Exchange, Sands Group, HK Shanghai Grand Hotel Group, Accenture, and Hasbro. For over a decade in Silicon Valley, Mr. Au provided legal and intellectual property counseling to a wide range of medical and technology companies in Silicon Valley including Thoratec Guidant, Google, Intel, and Apple etc. Mr. Au has a Bachelor of Science Degree in Biomedical and Electrical Engineering from Duke University, a Master of Science Degree in Biomedical Engineering from Case Western Reserve University, and a Juris Doctor Law Degree from Santa Clara University School of Law. He was admitted as a member of the State Bar of California and registered to practise with the US Patent and Trademark Office.

Biographical Details of Directors and Senior Management

Mr. ZHOU Xiaojiang, aged 63, was appointed as the independent non-executive Director on 4 July 2016. Mr. Zhou is a director of Beijing Grandtopeak Quntong Investment Holding Group Co., Ltd. (北京國泰群同投資控股集團有限公司) (formerly known as Grandtopeak Land Consolidation Group Co., Ltd. (國泰土地整理集團有限公司)) and has been the chairman and legal representative of Beijing Guotai Balance Land Layout and Design Co., Ltd. (北京國泰天平行土地規劃設計有限公司), the chairman and legal representative of Beijing Hongtai Entrepreneurial Land Consolidation Co., Ltd. (北京宏泰創業土地整理有限公司), the chairman and legal representative of Beijing Guotai Pilot Sailing Boat Investment Co., Ltd. (北京國泰領航帆船投資有限公司), and the general manager and legal representative of Guotai Jinglu Investment Holdings Co., Ltd. (國泰京魯投資控股有限公司) since December 2007. Mr. Zhou was the chairman and legal representative of Beijing Zhong Di Land Consolidation Co., Ltd. (北京中地土地整理有限公司) and the chairman and legal representative of Beijing Guoxing Weiye Land Consolidation Co., Ltd. (北京國興偉業土地整理有限公司).

Mr. Zhou was the chairman and legal representative of Guoyu Economic Development Corporation (國宇經濟發展總公司) (formerly China Three Gorges Economic Development Corporation (中國三峽經濟發展總公司)) from December 2004 to May 2007. He was also the general manager and legal representative of Hualian Real Estate Development Company (中國華聯房地產開發公司) from March 2001 to May 2007. Mr. Zhou obtained a bachelor degree of science, majoring in urban planning, from Chongqing University (formerly known as Chongqing Construction Engineering College (重慶建築工程學院)) in August 1983 and an MBA from Murdoch University in Australia in 2001.

SENIOR MANAGEMENT

Our senior management consists of the chief executive officer and the chief operating officer and the following persons:

Name	Age	Position in our Group
Mr. LIANG Tao	43	Chief financial officer of our Group
Mr. ZHONG Zhiqiang	52	Risk control director of Success Guarantee
Mr. PANG Chung Fai Benny	53	Company Secretary

Mr. LIANG Tao, aged 43, was appointed as the chief financial officer of our Group on 18 October 2013 and is responsible for overseeing the financial matters of our Group. Mr. Liang has over 15 years of experience in financial management. Mr. Liang joined our Group in December 2010 and was responsible for the initial public offering of the Company in 2013. Prior to joining our Group, Mr. Liang has experience on undertaking the listing of a mainland enterprise in NASDAQ. Mr. Liang has been with L & L Energy, Inc., a US public company, and United Group Rail (NZ) Limited, an Australian listed company, and has been responsible for financial matters of the two companies. He holds Bachelor of Business Studies of Massey University majoring in accounting.

Biographical Details of Directors and Senior Management

Mr. ZHONG Zhiqiang, aged 52, is the director of Investment and Financing Committee and is responsible for the investment and financing management of the Group. He is also the risk control director of Success Guarantee, a subsidiary of the Group, and is responsible for overseeing the risk management department of Success Guarantee. Mr. Zhong joined our Group in October 2009. Prior to joining of our Group, Mr. Zhong worked at the Bank of China from 1991 to 2009 for handling foreign exchange settlement, provision of loans and credits and sales and personal financing. His last position with the bank was assistant manager of the personal financial department. Mr. Zhong obtained a bachelor's degree in economics majoring in finance from Jinan University in Guangdong, Chinese Mainland in January 2004.

COMPANY SECRETARY

Mr. PANG Chung Fai Benny, aged 53, was appointed as our Company Secretary on 18 October 2013. Mr. Pang practised as a lawyer for over 20 years and is experienced in corporate finance, corporate governance and compliance matters.

Independent Auditor's Report

To the members of

CHINA SUCCESS FINANCE GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Success Finance Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 88 to 192, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Independent Auditor's Report

KEY AUDIT MATTERS *(continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment of receivables and provisions for guarantee losses</p> <p>Refer to notes 12, 13, 14 and 22 to the consolidated financial statements</p> <p>The Group has applied expected credit loss model (“ECL model”) for measuring impairment losses on receivables and provision for losses on financial guarantees issued by the Group.</p> <p>The determination of loss allowances using the ECL model is subject to a number of key parameters and assumptions, including the identification of credit-impaired stage, adjustments for forward-looking information and other adjustment factors. Management judgement is involved in the selection of parameters and the application of assumptions.</p> <p>In particular, the determination of the loss allowances and provisions for guarantee losses is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The Group's expected credit losses and provisions for guarantee losses are derived from estimates including the Group's historical losses and other adjustment factors.</p> <p>Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the debtors, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors.</p> <p>We identified the impairment of receivables and provisions for guarantee losses as a key audit matter because of the inherent uncertainty and management judgement involved, as well as their significance to the consolidated financial statements of the Group.</p>	<p>Our key audit procedures in relation to the impairment of receivables and provisions for guarantee losses include:</p> <ul style="list-style-type: none">• Understanding and assessing the design, implementation and operating effectiveness of key internal controls over the approval, recording and monitoring of receivables and financial guarantees issued;• Assessing the appropriateness of the ECL model used by management in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions used in the ECL model;• Evaluating the reasonableness and accuracy of estimates and data used for the key parameters used in the ECL model;• Evaluating management's assessment on whether the credit risk of the receivables and guarantees have increased significantly since initial recognition and whether the receivables and guarantees are credit-impaired;• Evaluating management's assessment of the value of property collateral held by comparing it with estimated market prices based transactions of similar properties for receivables that are credit-impaired, on a sample basis;• Recalculating the amount of impairment of receivables and provisions for guarantee losses using the ECL model, on a sample basis;• Assessing the adequacy of disclosures in the consolidated financial statements.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2025 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

Independent Auditor's Report

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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

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

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

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

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong, 27 March 2026

The engagement director on the audit resulting in this independent auditor's report is:

Yip Ngai Shing

Practising Certificate number: P05163

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Guarantee income		3,489	15,608
Less: guarantee service fee		(45)	(253)
Net guarantee fee income		3,444	15,355
Services fee from consulting and maintenance services		5,131	153
Income from financial leasing service		906	906
Sales of market hogs		–	4,362
Income from breeding service		9,692	2,369
Sales of energy storage system		22,814	41,440
Revenue, net	3	41,987	64,585
Other revenue	4	5,356	2,698
Cost of market hogs sold		–	(4,777)
Cost of breeding service		(15,108)	(2,202)
Cost of energy storage system sold		(17,784)	(38,963)
Impairment and provision (charged)/credited	5(a)	(1,614)	4,399
Impairment loss on property, plant and equipment	19(a)	(871)	(18,161)
Operating expenses		(29,217)	(39,938)
Research and development costs		(852)	(1,006)
Interest expenses	5(d)	(6,999)	(9,789)
Net changes in fair value on financial assets	20	(539)	(9,606)
Share of results of associates	16	(1,417)	120
Loss before taxation	5	(27,058)	(52,640)
Income tax expense	6(a)	(4,738)	(4,059)
Loss for the year		(31,796)	(56,699)
Loss attributable to:			
Owners of the Company		(24,479)	(39,117)
Non-controlling interests	15	(7,317)	(17,582)
		(31,796)	(56,699)
Loss per share		RMB	RMB
Basic and diluted	9	(0.04)	(0.07)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

<i>Note</i>	2025 RMB'000	2024 RMB'000
Loss for the year	(31,796)	(56,699)
Other comprehensive (loss)/income		
<i>Items that will not be reclassified to profit or loss:</i>		
Currency translation on financial statements of the Company	(9,210)	12,070
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences of foreign operations	9,373	(11,310)
Other comprehensive income for the year	163	760
Total comprehensive loss for the year	(31,633)	(55,939)
Total comprehensive loss attributable to:		
Owners of the Company	(24,316)	(38,357)
Non-controlling interests	(7,317)	(17,582)
	(31,633)	(55,939)

Consolidated Statement of Financial Position

As at 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Assets			
Cash and bank deposits	10	215,099	185,561
Pledged bank deposits	11	5,277	33,009
Trade and other receivables	12	77,792	87,592
Factoring receivables	13	7,069	11,769
Finance lease receivables	14	31,301	30,859
Interest in associates	16	23,499	22,916
Biological assets	17	1,171	972
Inventories	18	29	47
Property, plant and equipment	19	163,761	163,296
Financial assets measured at fair value through profit or loss	20	8,125	1,563
Deferred tax assets	21(a)	13,575	21,153
		546,698	558,737
Liabilities			
Liabilities from guarantees	22	13,698	17,970
Pledged deposits received	23	98,307	103,234
Bank and other borrowings	24	116,821	143,199
Trade and other payables	25	36,427	30,485
Current tax		10,388	13,228
Lease liabilities	26	12,792	12,897
		288,433	321,013
NET ASSETS		258,265	237,724
Capital and reserves			
Share capital	28(c)	5,138	4,421
Reserves		310,477	283,336
		315,615	287,757
Non-controlling interests	15(a)	(57,350)	(50,033)
TOTAL EQUITY		258,265	237,724

These consolidated financial statements on pages 88 to 192 were approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by

Zhang Tiewei
Director

Li Bin
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the Company							Non-controlling interests RMB'000	Total RMB'000	
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	Regulatory reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000			
At 1 January 2024	4,420	468,566	321,359	56,997	30,988	15,695	(573,467)	324,558	(32,451)	292,107
Loss for the year	-	-	-	-	-	-	(39,117)	(39,117)	(17,582)	(56,699)
Other comprehensive income/(loss):										
<i>Items that will not be reclassified subsequently to profit or loss:</i>										
Currency translation on financial statements of the Company	-	-	-	-	-	12,070	-	12,070	-	12,070
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Currency translation differences of foreign operations	-	-	-	-	-	(11,310)	-	(11,310)	-	(11,310)
Other comprehensive income	-	-	-	-	-	760	-	760	-	760
Total comprehensive income/(loss)	-	-	-	-	-	760	(39,117)	(38,357)	(17,582)	(55,939)
Transactions with owners										
Contributions and distributions										
Issue of shares upon exercise of share options	1	98	-	-	-	-	-	99	-	99
Transfer upon redemption of convertible bonds	-	-	(3,942)	-	-	-	3,942	-	-	-
Equity-settled share-based payments	-	-	1,457	-	-	-	-	1,457	-	1,457
Total transactions with owners	1	98	(2,485)	-	-	-	3,942	1,556	-	1,556
At 31 December 2024	4,421	468,664	318,874	56,997	30,988	16,455	(608,642)	287,757	(50,033)	237,724
At 1 January 2025	4,421	468,664	318,874	56,997	30,988	16,455	(608,642)	287,757	(50,033)	237,724
Loss for the year	-	-	-	-	-	-	(24,479)	(24,479)	(7,317)	(31,796)
Other comprehensive income/(loss):										
<i>Items that will not be reclassified subsequently to profit or loss:</i>										
Currency translation on financial statements of the Company	-	-	-	-	-	(9,210)	-	(9,210)	-	(9,210)
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Currency translation differences of foreign operations	-	-	-	-	-	9,373	-	9,373	-	9,373
Other comprehensive income	-	-	-	-	-	163	-	163	-	163
Total comprehensive income/(loss)	-	-	-	-	-	163	(24,479)	(24,316)	(7,317)	(31,633)
Transactions with owners										
Contributions and distributions										
Issue of shares upon exercise of share options	11	833	-	-	-	-	-	844	-	844
Issue of shares	706	48,220	-	-	-	-	-	48,926	-	48,926
Equity-settled share-based payments	-	-	2,404	-	-	-	-	2,404	-	2,404
Total transactions with owners	717	49,053	2,404	-	-	-	-	52,174	-	52,174
At 31 December 2025	5,138	517,717	321,278	56,997	30,988	16,618	(633,121)	315,615	(57,350)	258,265

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Operating activities			
Cash from operations	10(b)	2,786	28,815
Net cash from operating activities		2,786	28,815
Investing activities			
Capital injection in an associate		(2,000)	–
Payments for addition of financial assets measured at fair value through profit or loss		(7,101)	–
Payments for purchase of property, plant and equipment		(327)	(546)
Interest received		2,604	2,225
Net cash (used in) from investing activities		(6,824)	1,679
Financing activities			
Interest paid		(6,197)	(13,736)
Proceeds from issuing shares	28(c)	48,926	99
Proceeds from issue of shares upon exercise of share options	27	844	–
Capital and interest element of lease liabilities paid	10(c)	(1,322)	(2,115)
Proceeds from bank and other borrowings	10(c)	4,082	57,550
Repayment of bank and other borrowings	10(c)	(30,460)	(51,109)
Repayment of convertible bonds	10(c)	–	(25,480)
Net cash from (used in) financing activities		15,873	(34,791)
Net increase (decrease) in cash and cash equivalents		11,835	(4,297)
Cash and cash equivalents at beginning of the reporting period		8,755	13,036
Effect of foreign exchange rate		(395)	16
Cash and cash equivalents at end of the reporting period		20,195	8,755

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

CORPORATE INFORMATION

China Success Finance Group Holdings Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Fourth Floor, One Capital Place, P.O. Box 847, Grand Cayman, KY1-1103, Cayman Islands and the principal place of its business in Hong Kong registered under Part 16 of the Companies Ordinance is 604, 6th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are i) provision of guarantee, financial leasing, factoring service and consulting and maintenance service in the Chinese Mainland, ii) provision of breeding service in the Chinese Mainland, and iii) trading of energy storage system in overseas. The Company and its subsidiaries are collectively referred to as the “Group”.

1. ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, the collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and in compliance with the disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

A summary of the principal accounting policies adopted by the Group is set out below.

(b) Going concern

After taking into account the Group’s cash flow projections prepared by the directors, which cover a period of not less than twelve months from 31 December 2025, and considering the letter of support obtained from Expert Depot Limited, the controlling shareholder of the Company, who has adequate financial resources to provide such support, the directors are of the opinion that the Group will have sufficient working capital for its operations and can meet its financial obligations as they fall due. Accordingly, the directors consider it appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis.

(c) Basis of preparation of the consolidated financial statements

These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(c) Basis of preparation of the consolidated financial statements *(continued)*

The measurement basis used in the preparation of these consolidated financial statements is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investments in debt and equity securities (see note 1(g) to the consolidated financial statements);
- derivative financial instruments (see note 1(h) to the consolidated financial statements); and
- biological assets (see note 1(l) to the consolidated financial statements).

(d) Changes in accounting policies

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year:

Amendments to HKAS 21 Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

(e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(e) Subsidiaries and non-controlling interests *(continued)*

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Associates

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

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(f) Associates *(continued)*

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the associate and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the ECL model to such other long-term interests where applicable).

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(g) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and associates are set out below.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(g) Other investments in debt and equity securities *(continued)*

Investments in debt and equity securities are recognised/derecognised on the trade date basis. The investments 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. These investments are subsequently accounted for as follows, depending on their classification.

(I) *Investments other than equity investments*

Non-equity investments held by the Group are classified into one of the following categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- fair value through other comprehensive income (“FVOCI”) (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(II) *Equity investments*

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (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. 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 FVPL or FVOCI, are recognised in profit or loss as other income.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(h) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses:

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment.

Construction in progress is stated at cost less accumulated impairment losses. Cost comprises direct costs of construction capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

Gains or losses arising from the retirement or disposal of an item of equipment 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.

Depreciation is calculated to write-off the cost of items of equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Motor vehicle	4 to 5 years
– Office and other equipment	3 to 5 years
– Pig farm and other buildings	20 years
– Other properties leased for own use	5 to 28 years
– Improvements	5 to 28 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(j) Leased assets

At inception of a contract, the Group 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.

(i) *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group 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 Group 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 Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group 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.

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(j) Leased assets *(continued)*

(i) *As a lessee (continued)*

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 Group'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 Group 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.

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

(ii) *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

(k) Credit losses and impairment of assets

(i) *Credit losses from financial instruments*

The Group recognises a loss allowance for expected credit losses (ECL) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables, factoring receivables and finance lease receivables).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Other financial assets measured at fair value, including equity and debt securities and derivative financial assets measured at FVPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECL, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions

ECL are measured on either of the following bases:

- 12-month ECL: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECL: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Measurement of ECL (continued)

The Group measures loss allowance of the financial instruments that meet the following conditions according to the amount of expected credit losses within the next 12 months, and measures loss allowances for other financial instruments in accordance with the amount of lifetime expected credit losses.

- The financial instruments that are determined to have low credit risk at the reporting date; or
- The financial instruments for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECL. ECL on these financial assets are estimated using a provision matrix based on the Group'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.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECL unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 30 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Significant increases in credit risk (continued)

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

- Failure to make payments of principal or interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- An actual or expected significant deterioration in the operating results of the debtor;
- Existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group;
- The credit spread increases significantly;
- Significant changes with an adverse effect that have taken place in the counterparty's business, financial and economic status;
- Application of a grace period or debt-restructuring;
- Significant changes with an adverse effect in the counterparty's operating conditions;
- Decreased value of the collaterals; and
- Early indicators of problems of cash flow/liquidity, such as late payment of accounts payable/repayment of guarantees.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Significant increases in credit risk (continued)

ECL are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Definition of "default" and "credit-impaired assets"

When a financial instrument meets one or more of the following conditions, the Group considers the financial asset to be in default, and the criteria are consistent with the definition of credit-impaired assets.

The financial asset is more than 90 days past due.

The counterparty meets the criterion of "having difficulty in repayment", which indicates that the counterparty has significant financial difficulty, including:

- the counterparty has been in the grace period for a long time;
- the death of the counterparty;
- the counterparty enters bankruptcy;
- the counterparty breaches (one or more) terms of the contract that the debtor shall be subject to;
- the disappearance of an active market for the related financial asset because of financial difficulties faced by the counterparty;
- the creditors make concessions due to the financial difficulties faced by the counterparty;
- it becomes probable that the counterparty will enter bankruptcy;
- a higher discount was obtained during the acquisition of assets, and the assets have incurred credit loss when they are acquired.

The above criteria apply to all financial instruments of the Group and they are consistent with the definition of "default" adopted by the internal management of credit risk.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group's other receivables and cash and cash equivalents are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Write-off policy

The gross carrying amount of a financial asset or contract asset 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 group 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.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(ii) ***Credit losses from financial guarantees issued***

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECL on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECL, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(iii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than property carried at revalued amounts); and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

- Recognition of impairment losses

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.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(k) Credit losses and impairment of assets *(continued)*

(iii) Impairment of other non-current assets *(continued)*

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iv) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(k)(i), (ii) and (iii) to the consolidated financial statements).

(l) Biological assets

Biological assets are agricultural produces, which are classified as non-current assets.

Agricultural produces are measured by aggregate costs of production, such costs include planting, weeding, fertilizer and costs direct attributable to the produces, which related to the development of the biological assets that are capitalised.

Any resultant gain or loss arising on initial recognition and from changes in fair value less costs to sell is charged to the profit or loss for the period in which the gain or loss arises.

Costs to sell of a biological asset are the incremental costs directly attributable to the sale or disposal of the asset, excluding finance costs and income taxes.

(m) Inventories

The inventories of the Group include fodders, medicines, and vaccines.

Inventories are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditure incurred in bringing the inventories to their present location and condition. Cost of inventories is calculated using the first-in-first-out method.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(n) Trade and other receivables

A receivable is recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A receivable is derecognised when and only when (i) the Group's contractual rights to future cash flows from the receivable expires or (ii) the Group transfers the receivable and either (a) it transfers substantially all the risks and rewards of ownership of the receivable, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the receivable but it does not retain control of the receivable.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost using the effective interest method and including an allowance for credit losses (see note 1(k)(i) to the consolidated financial statements).

(o) 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 Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(p) Trade and other payables

Trade and other payables are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and derecognised when and only when the payable is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Other payables are initially recognised at fair value. Subsequent to initial recognition, other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs. Borrowing costs are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(r) Employee benefits

(i) *Short-term employee benefits*

Salaries, annual bonuses, paid annual leave 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.

(ii) *Defined contribution plans*

Pursuant to the relevant laws and regulations of the Chinese Mainland, the Group's subsidiaries in the Chinese Mainland have joined defined contributions for the employees, such as basic pension scheme, housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes contributions to the above-mentioned schemes at the applicable rates based on the amounts stipulated by the government organisation. The contributions are charged to profit or loss on an accrual basis.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (the "MPF Scheme") for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

(iii) *Share-based payments*

The fair value of shares or share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the appropriate valuation techniques, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares or share options, the total estimated fair value of the shares or share options is spread over the vesting period, taking into account the probability that the shares or share options will vest.

During the vesting period, the number of share options that are expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(r) Employee benefits *(continued)*

(iv) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) 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 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 certain limited exceptions, 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. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences is not recognised (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(s) Income tax *(continued)*

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “Holder”) for a loss the Holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

The Group issues performance guarantee and litigation guarantee contracts, in which the Group agrees to provide guarantees to its customers who entered into contracts with third parties for services to be rendered, goods to be supplied or obligation to fulfil within an agreed time period. The Group is required to compensate the guarantee holder if a specified uncertain future event adversely results in the counterparties’ failure to delivery services and goods, or to fulfil the obligation.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(t) Guarantees issued *(continued)*

Where the Group issues a guarantee, the fair value of the guarantee is initially recognised as deferred income within liabilities from guarantees. The fair value of guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The fair value of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from guarantees issued. In addition, provisions are recognised if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in deferred income in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(u) Provisions and contingent liabilities

Provisions are recognised when the Group 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.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group 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.

(i) **Revenue from contracts with customers within HKFRS 15**

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(v) Revenue and other income *(continued)*

(i) Revenue from contracts with customers within HKFRS 15 *(continued)*

Timing of revenue recognition (continued)

- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Variable consideration

If the consideration promised in a contract includes a variable amount (variations in contract work), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Income from financial guarantees issued

Income from financial guarantees issued is recognised over the term of the guarantees.

Service fee from consulting and maintenance services and breeding services

The Group receives service fee by providing various consulting and maintenance services and breeding services to customers.

If one of the following conditions is met, the Group will recognise the revenue according to the performance progress in the period:

- the customer obtains the economic benefits through the Group's performance;
- the customer is able to control the services performed by the Group in the performance process;
- the services performed by the Group in the performance process have irreplaceable uses, and the Group has the right to collect the payment for the part of performance that has been completed.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(v) Revenue and other income *(continued)*

(i) Revenue from contracts with customers within HKFRS 15 *(continued)*

Service fee from consulting and maintenance services and breeding services
(continued)

Revenue from consulting and maintenance services and breeding services are recognised over time using the output method.

In other cases, the Group recognises the revenue when the customer obtains the relevant service control right.

Sales of market hogs and energy storage system

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(ii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(iii) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(w) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is the Hong Kong dollar but the Company adopts RMB as the presentation currency of the Group.

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 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.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(y) Related parties

A related party is a person or entity that is related to the Group.

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group 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 Group or an entity related to the Group.
 - (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 Group or to the Group'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 and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate, and a joint venture includes subsidiaries of the joint venture.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. ACCOUNTING POLICIES *(continued)*

(z) Segment reporting

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

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

2. ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

(i) *Determination of lease term*

The lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the options, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(a) Critical accounting judgements in applying the Group's accounting policies *(continued)*

(ii) **Loss allowance for ECL**

The Group uses judgements in establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selecting and approving models used to measure ECL.

(b) Sources of estimation uncertainty

In addition to the sources of estimation uncertainty disclosed elsewhere in these consolidated financial statements, other significant sources of estimation uncertainty are as follows:

(i) **Loss allowance for ECL**

The Group's management estimates the loss allowance for trade receivables, factoring receivables and finance lease receivables by using various inputs and assumptions including risk of default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables. Details of the key assumptions and inputs used in estimating ECL are set out in note 29(a) to the consolidated financial statements.

(ii) **Deferred tax assets**

As at 31 December 2025, a deferred tax asset of approximately RMB13,575,000 (2024: RMB21,153,000) has been recognised in the consolidated statement of financial position. The recognition of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such a reversal takes place.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

(b) Sources of estimation uncertainty *(continued)*

(iii) *Impairment of property, plant and equipment*

Determining an appropriate amount of an impairment requires an estimation of recoverable amounts of assets or the respective cash generating units (“CGU”) to which the property, plant and equipment and right-of-use assets belong, which is the higher of value in use and fair value less cost of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the relevant assets or the CGU and a suitable discount rate in order to calculate the present value. The discount rate represents a rate that reflects current market assessments of time value of money and the risks specific to the asset or the CGU for which the future cash flow estimates have not been adjusted. Where the actual future cash flows are less than expected or there is a downward revision of future estimated cash flows due to unfavourable changes in facts and circumstances, an additional impairment loss may arise. As at 31 December 2025, accumulated impairment losses on property, plant and equipment of approximately RMB19,032,000 (2024: RMB18,161,000) were recognised.

(iv) *Valuation of financial assets measured at FVPL*

The Group appointed an independent professional valuer to assess the fair value of its unlisted equity investment and exchangeable bond (2024: *unlisted equity investment*), which included in financial assets measured at FVPL that are not traded in an active market. In determining the fair value, the valuer has applied a variety of methods and made assumptions that are mainly based on market conditions existing at each reporting date. Changes in assumptions on the valuation techniques could affect the reported fair value of the financial assets measured at FVPL. As at 31 December 2025, the carrying amount of the unlisted equity investment and exchangeable bond (2024: *unlisted equity investment*) included in financial assets measured at FVPL was approximately RMB8,125,000 (2024: RMB1,563,000).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The amount of each significant category of revenue recognised during the year is as follows:

	2025 RMB'000	2024 RMB'000
Guarantee fee income		
– Income from financial guarantees	493	548
– Income from online financial guarantees	2,737	14,820
– Income from performance guarantees	251	238
– Income from litigation guarantees	8	2
Gross guarantee fee income	3,489	15,608
Less: guarantee service fee	(45)	(253)
Net guarantee fee income	3,444	15,355
Service fee from consulting and maintenance services	5,131	153
Income from financial leasing services	906	906
Sales of market hogs	–	4,362
Income from breeding service	9,692	2,369
Sales of energy storage system	22,814	41,440
Revenue, net	41,987	64,585

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Financial service RMB'000	Sales of market hogs RMB'000	Breeding service income RMB'000	Sales of energy storage system RMB'000	Total RMB'000
Year ended 31 December 2025					
<i>Timing of revenue recognition:</i>					
– at a point in time	–	–	–	22,814	22,814
– over time	9,526	–	9,692	–	19,218
	9,526	–	9,692	22,814	42,032
Type of transaction price:					
– fixed price	9,526	–	–	22,814	32,340
– variable price	–	–	9,692	–	9,692
	9,526	–	9,692	22,814	42,032

	Financial service RMB'000	Sales of market hogs RMB'000	Breeding service income RMB'000	Sales of energy storage system RMB'000	Total RMB'000
Year ended 31 December 2024					
<i>Timing of revenue recognition:</i>					
– at a point in time	–	4,362	–	41,440	45,802
– over time	16,667	–	2,369	–	19,036
	16,667	4,362	2,369	41,440	64,838
Type of transaction price:					
– fixed price	16,667	4,362	–	41,440	62,469
– variable price	–	–	2,369	–	2,369
	16,667	4,362	2,369	41,440	64,838

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment reporting

The Group manages its business by business operations in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resources allocation and performance assessment. The Group's reportable and operating segments are as follows:

- Financial services: providing guarantee service, factoring service, financial leasing service and consulting and maintenance service in the Chinese Mainland.
- Market hog: sales of market hogs and providing breeding service in the Chinese Mainland.
- Energy storage: trading of energy storage system in overseas.

(i) **Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets and segment liabilities include all liabilities of the Group.

Segment revenue and segment expenses are determined based on revenue generated by those segments and the expenses incurred by those segments. Segment results include the Group's share of results of associates.

Segment performance is evaluated based on reportable segment profit/loss, which is measured consistently with the Group's profit/loss.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment reporting *(continued)*

(i) Segment results, assets and liabilities *(continued)*

	Financial services		Market Hog		Energy storage		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Guarantee income	3,489	15,608	-	-	-	-	3,489	15,608
Less: guarantee service fee	(45)	(253)	-	-	-	-	(45)	(253)
Net guarantee fee income	3,444	15,355	-	-	-	-	3,444	15,355
Service fee from consulting and maintenance services	5,131	153	-	-	-	-	5,131	153
Income from financial leasing services	906	906	-	-	-	-	906	906
Sales of market hogs	-	-	-	4,362	-	-	-	4,362
Income from breeding service	-	-	9,692	2,369	-	-	9,692	2,369
Sales of energy storage system	-	-	-	-	22,814	41,440	22,814	41,440
Revenue, net	9,481	16,414	9,692	6,731	22,814	41,440	41,987	64,585
Other revenue	3,528	2,307	1,828	381	-	10	5,356	2,698
Cost of market hogs sold	-	-	-	(4,777)	-	-	-	(4,777)
Cost of breeding service	-	-	(15,108)	(2,202)	-	-	(15,108)	(2,202)
Cost of energy storage system sold	-	-	-	-	(17,784)	(38,963)	(17,784)	(38,963)
Impairment and provision (charged)/credited	(1,502)	4,399	-	-	(112)	-	(1,614)	4,399
Impairment loss on property, plant and equipment	(871)	(2,363)	-	(15,798)	-	-	(871)	(18,161)
Operating expenses	(19,002)	(24,201)	(6,152)	(11,981)	(4,063)	(3,756)	(29,217)	(39,938)
Research and development costs	(852)	(1,006)	-	-	-	-	(852)	(1,006)
Interest expenses	(991)	(3,066)	(6,008)	(6,723)	-	-	(6,999)	(9,789)
Net changes in fair value on financial assets	(539)	(9,606)	-	-	-	-	(539)	(9,606)
Share of results of associates	(1,417)	120	-	-	-	-	(1,417)	120
Reportable segment (loss)/ profit before taxation	(12,165)	(17,002)	(15,748)	(34,369)	855	(1,269)	(27,058)	(52,640)
Income tax expense	(4,738)	(4,059)	-	-	-	-	(4,738)	(4,059)
Reportable segment (loss)/ profit for the year	(16,903)	(21,061)	(15,748)	(34,369)	855	(1,269)	(31,796)	(56,699)

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment reporting *(continued)*

(i) Segment results, assets and liabilities *(continued)*

Interest income from bank deposits included in the measurement of reportable segment loss is solely generated from financial services for the years ended 31 December 2025 and 2024.

Depreciation charge included in the measurement of reportable segment loss of financial services and market hog amounted to RMB1,103,000 *(2024: RMB995,000)* and RMB10,814,000 *(2024: RMB11,340,000)* for the year ended 31 December 2025 respectively.

	Financial services		Market Hog		Energy storage		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Assets								
Reportable segment assets	517,954	518,498	149,357	159,917	17,354	2,723	684,665	681,138
Elimination of inter-segment receivables	(137,967)	(122,401)	-	-	-	-	(137,967)	(122,401)
Consolidated total assets	379,987	396,097	149,357	159,917	17,354	2,723	546,698	558,737
Liabilities								
Reportable segment liabilities	138,296	174,110	270,229	265,039	17,875	4,265	426,400	443,414
Elimination of inter-segment payables	-	-	(136,170)	(120,559)	(1,797)	(1,842)	(137,967)	(122,401)
Consolidated total liabilities	138,296	174,110	134,059	144,480	16,078	2,423	288,433	321,013

(ii) Information about major customers

Revenue from external customers contributing 10% or more of the total revenue of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Customer A from sales of energy storage system	—*	40,854
Customer B from sales of energy storage system	12,466	—*
Customer C from breeding services	9,692	—*
Customer D from sales of energy storage system	4,565	—*

* This customer individually contributed less than 10% of the total revenue of the Group during the reporting period.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment reporting *(continued)*

(iii) Geographic information

The revenue information based on the geographical location of the customers is as follows:

	Financial services RMB'000	Market Hog RMB'000	Energy storage RMB'000	Total RMB'000
Year ended 31 December 2025				
<i>Geographical region:</i>				
– Chinese Mainland	9,526	9,692	–	19,218
– South Africa	–	–	12,466	12,466
– Australia	–	–	4,024	4,024
– Sweden	–	–	1,760	1,760
– United Kingdom	–	–	4,564	4,564
	9,526	9,692	22,814	42,032

	Financial services RMB'000	Market Hog RMB'000	Energy storage RMB'000	Total RMB'000
Year ended 31 December 2024				
<i>Geographical region:</i>				
– Chinese Mainland	16,667	6,731	–	23,398
– South Africa	–	–	40,854	40,854
– Australia	–	–	586	586
	16,667	6,731	41,440	64,838

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment reporting *(continued)*

(iii) Geographic information *(continued)*

The geographical locations of non-current assets other than financial assets measured at FVPL, biological assets and deferred tax assets are based on the physical location of the assets under consideration.

	2025 RMB'000	2024 RMB'000
Hong Kong	375	152
Chinese Mainland	163,386	163,144
	163,761	163,296

4. OTHER REVENUE

	2025 RMB'000	2024 RMB'000
Interest income from bank deposits	2,002	2,225
Interest income from financial assets measured at FVPL - exchangeable bond	602	-
	2,604	2,225
Government grants	1,828	386
Recovery of bad debt	818	-
Others	106	87
Total	5,356	2,698

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after (crediting)/charging:

(a) Impairment and provision charged/(credited)

	Note	2025 RMB'000	2024 RMB'000
Provision credited for guarantees issued	22(a)	(3,344)	(3,315)
Impairment allowances charged/(credited) for:			
– trade receivables	12(a)(iii)	(397)	1,577
– deposit and other receivables	12(b)(i)	2,566	(4,135)
– prepayments for constructions	12(d)	–	3,088
– factoring receivables	13(b)	4,300	609
– finance lease receivables	14(b)	(1,511)	(2,223)
		1,614	(4,399)

(b) Staff costs

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	11,454	12,693
Contributions to defined contribution retirement plan	1,563	1,588
Equity-settled share-based payment expenses	2,404	1,457
Total	15,421	15,738

The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. LOSS BEFORE TAXATION *(continued)*

(c) Other items

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Depreciation charge			
– right-of-use assets		1,012	1,780
– owned property, plant and equipment		10,905	10,555
	(ii)	11,917	12,335
Operating lease charges in respect of leasing of properties		125	96
Auditors' remuneration			
– audit services		1,590	1,670
– other services		505	530
Net foreign exchange loss		194	357
Loss of inventory	(i)	–	627

(i) The loss of inventory represented the cost arising from the loss of hogs.

(ii) Depreciation charge included in cost of market hogs sold/cost of breeding service is approximately RMB9,040,000 (2024: RMB2,242,000).

(d) Interest expenses

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings		6,197	7,105
Interest on convertible bonds		–	1,849
Interest on lease liabilities	19(b)	802	835
Total		6,999	9,789

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

6. INCOME TAX EXPENSE

(a) Income tax expense represents:

	2025 RMB'000	2024 RMB'000
Deferred tax		
Origination and reversal of temporary differences (note 21(a))	4,738	4,059
Total	4,738	4,059

(b) Reconciliation between income tax and accounting loss at applicable tax rates:

	2025 RMB'000	2024 RMB'000
Loss before taxation	(27,058)	(52,640)
Notional tax on loss before taxation, calculated at the rates applicable in the relevant jurisdictions	(1,901)	(3,657)
Tax effect of unused tax losses not recognised	735	1,632
Tax exempt revenue	(99)	–
Tax effect of non-deductible expenses	1,720	2,055
Utilisation of previously unrecognised tax losses	(809)	–
Share of results of associates	354	(30)
Write-down of deferred tax assets	4,738	4,059
Income tax expense	4,738	4,059

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in either jurisdiction.
- (ii) No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2025 and 2024, as the Group did not have assessable profits subject to Hong Kong Profits Tax during both years.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

6. INCOME TAX EXPENSE *(continued)*

(b) Reconciliation between income tax and accounting loss at applicable tax rates: *(continued)*

- (iii) The Chinese Mainland subsidiaries of the Group are subject to the Chinese Mainland Enterprise Income Tax at 25% (2024: 25%).

Pursuant to the article 27 of Law of the Chinese Mainland on Enterprise Income Tax (No. 63 Order of the President of the Chinese Mainland), Yangmianshan Company Limited (“Yangmianshan”) is entitled to full income tax exemptions for its animal husbandry business.

- (iv) Pursuant to relevant laws and regulations, non-Chinese Mainland-resident enterprises are subject to withholding tax at 10% (unless reduced by tax treaties/arrangements) on dividends receivable from Chinese Mainland enterprises for profits earned since 1 January 2008. Distributions of earnings generated prior to 1 January 2008 are exempt from such withholding tax. As a part of the continuing evaluation of the Group’s dividend policy, management has determined that, for the purpose of business development, no undistributed profits will be distributed in the foreseeable future. Furthermore, as at 31 December 2025, those subsidiaries had recorded accumulated losses. As such, no deferred tax liabilities have been recognised in respect of Chinese Mainland withholding tax on undistributed profits.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

7. DIRECTORS' REMUNERATION

Directors' emoluments disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 December 2025					
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (Note (i))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chairman and executive director						
Mr. Zhang Tiewei	329	–	–	329	134	463
Executive directors						
Mr. Li Bin	–	516	95	611	134	745
Ms. Dai Jing	–	428	95	523	134	657
Mr. Xu Kaiying	329	–	16	345	134	479
Mr. Pang Haoquan	329	–	–	329	134	463
Independent non-executive directors						
Mr. Tsang Hung Kei	110	–	–	110	134	244
Mr. Au Tien Chee Arthur	110	–	–	110	134	244
Mr. Zhou Xiaojiang	110	–	–	110	134	244
Total	1,317	944	206	2,467	1,072	3,539

	Year ended 31 December 2024					
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (Note (i))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chairman and executive director						
Mr. Zhang Tiewei	329	–	–	329	–	329
Executive directors						
Mr. Li Bin	–	876	90	966	256	1,222
Ms. Dai Jing	–	701	90	791	230	1,021
Mr. Xu Kaiying	329	–	16	345	–	345
Mr. Pang Haoquan	329	–	–	329	–	329
Independent non-executive directors						
Mr. Tsang Hung Kei	110	–	–	110	–	110
Mr. Au Tien Chee Arthur	110	–	–	110	–	110
Mr. Zhou Xiaojiang	110	–	–	110	–	110
Total	1,317	1,577	196	3,090	486	3,576

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

7. DIRECTORS' REMUNERATION (continued)

Notes:

- (i) The share-based payments represent the estimated value of share options granted to the directors under the Company's share option schemes.
- (ii) No payments were made by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 December 2025 and 2024. In addition, there was no arrangement under which any director waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emolument, three (2024: three) are directors whose emoluments are disclosed in note 7 to the consolidated financial statements. The aggregate emoluments in respect of the other two (2024: two) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	2,559	2,427
Contributions to defined contribution retirement plan	32	145
Share-based payments	–	128
Total	2,591	2,700

The emoluments of the two (2024: two) non-director individuals whose emoluments fell within the following bands:

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

No payments were made by the Group to the highest-paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 December 2025 and 2024. In addition, there was no arrangement under which any of the highest-paid individuals waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

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Year ended 31 December 2025

9. LOSS PER SHARE

(a) Basic

Basic loss per share for the years ended 31 December 2025 and 2024 are calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	2025	2024
Loss attributable to owners of the Company (in RMB'000)	(24,479)	(39,117)
Weighted average number of ordinary shares in issue (in thousand)	599,101	552,338
Basic loss per share (RMB per share)	(0.04)	(0.07)

(b) Diluted

Potential dilutive ordinary shares are not included in the calculation of diluted loss per share because they are anti-dilutive. Therefore, the diluted loss per share equals the basic loss per share.

10. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Demand deposits and term deposits with banks with original maturity less than three months	20,106	8,669
Restricted customer pledged deposits (i)	61	61
Restricted third-party pledged deposits (i)	98,246	103,173
Other restricted funds	96,597	73,572
Cash on hand	89	86
Cash and bank deposits in the consolidated statement of financial position	215,099	185,561
Restricted customer pledged deposits (i)	(61)	(61)
Restricted third-party pledged deposits (i)	(98,246)	(103,173)
Other restricted funds	(96,597)	(73,572)
Cash and cash equivalents in the consolidated statement of cash flows	20,195	8,755

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

10. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(continued)*

(a) Cash and cash equivalents comprise: *(continued)*

- (i) Pursuant to the Implementing Rules for the Administration of Financial Guarantee Companies promulgated by the People's Government of the Guangdong Province on 27 September 2010 and the Notice on Regulating the Management of Customer Pledged Deposits of Financial Guarantee Institutions announced by the Joint Committee for the Regulation of the Financial Guarantee Industry on 15 April 2012, the Group is required to set up certain arrangements to manage the customers' pledged deposits by 31 March 2011.

These arrangements include: (i) entering into tripartite custodian agreement among lending bank, customer or the third party and the Group, for ensuring the entrustment of lending bank to manage the deposits; (ii) depositing the pledged deposits received from the customer/third party into a designated custodian bank account; and (iii) ensuring that such deposits are not available for use by the Group.

In order to comply with the aforesaid rules and regulations, the Group established internal guidelines which were adopted in May 2012. However, the aforesaid rules and regulations are not enforceable to banks and the Group could not enter into tripartite custodian arrangement with certain lending banks. As at 31 December 2025, restricted customer pledged deposits of RMB56,000 *(2024: RMB56,000)* were deposited into a designated bank account under tripartite custodian arrangements. For those guarantee services without setting up tripartite custodian arrangements, the Group has maintained the restricted customer pledged deposits received in the Group's bank accounts.

Pursuant to the agreements in relation to the online financial guarantee business, the Group set up certain arrangements to manage the third parties' pledged deposits.

These arrangements include: (i) entering into tripartite custodian agreement among lending bank, the third party and the Group, for ensuring the entrustment of lending bank to manage the deposits; (ii) depositing the pledged deposits received from the third party into a designated custodian bank account; and (iii) ensuring that such deposits are not available for use by the Group. As at 31 December 2025, restricted third-party pledged deposits of RMB98,246,000 *(2024: RMB103,173,000)* were deposited into a designated bank account under tripartite custodian arrangements. Corresponding balances of the same amount were recorded as pledged deposits received (note 23 to the consolidated financial statements).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

10. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(continued)*

(a) Cash and cash equivalents comprise: *(continued)*

(i) *(continued)*

As at the end of the reporting period, the restricted pledged deposits received were maintained as follows:

	2025 RMB'000	2024 RMB'000
Restricted third-party pledged deposits	98,246	103,173
Restricted customer pledged deposits:		
– designated custodian bank accounts	56	56
– the Group's bank accounts	5	5
Total	98,307	103,234

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

10. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(continued)*

(b) Reconciliation of loss before taxation to cash from operating activities

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Loss before taxation		(27,058)	(52,640)
Adjustments for:			
Depreciation charge	5(c)	11,917	12,335
Impairment and provision charged/(credited)	5(a)	1,614	(4,399)
Impairment loss on property, plant and equipment	19(a)	871	18,161
Share of results of associates		1,417	(120)
Exchange differences		559	691
Interest income	4	(2,604)	(2,225)
Loss of inventory		–	627
Equity settled share-based payment expenses	5(b)	2,404	1,457
Interest expenses	5(d)	6,999	9,789
Net changes in fair value on financial assets	29(d)(i)	539	9,606
Changes in working capital:			
Decrease/(Increase) in pledged and restricted bank deposits		4,707	(17,337)
(Increase)/Decrease in trade and other receivables		(5,581)	36,975
Decrease in factoring receivables		400	12,967
Decrease in finance lease receivables		1,069	3,674
Increase/(Decrease) in trade and other payables		6,642	(392)
Decrease in deferred income		(928)	(833)
Decrease in inventories		18	395
(Increase)/Decrease in biological assets		(199)	84
Cash from operating activities		2,786	28,815

Notes to the Consolidated Financial Statements

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10. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(continued)*

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group'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 Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2025	143,199	12,897	156,096
Changes from financing cash flows:			
Capital and interest element of lease liabilities paid	–	(1,322)	(1,322)
Proceeds from bank and other borrowings	4,082	–	4,082
Repayment of bank and other borrowings	(30,460)	–	(30,460)
Total changes from financing cash flows	(26,378)	(1,322)	(27,700)
Other changes:			
Additions in lease liabilities	–	28	28
Lease modification	–	387	387
Interest expenses	6,197	802	6,999
Transfer to other payables	(6,197)	–	(6,197)
Total other changes	–	1,217	1,217
At 31 December 2025	116,821	12,792	129,613

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Year ended 31 December 2025

10. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(continued)*

(c) Reconciliation of liabilities arising from financing activities *(continued)*

	Bank and other borrowings RMB'000	Liability component of convertible bonds RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	136,758	25,609	11,822	174,189
Changes from financing cash flows:				
Proceeds of bank and other borrowings	57,550	–	–	57,550
Capital and interest element of lease liabilities paid	–	–	(2,115)	(2,115)
Repayment of bank and other borrowings	(51,109)	–	–	(51,109)
Repayment of convertible bonds	–	(25,480)	–	(25,480)
Interest paid	–	(2,689)	–	(2,689)
Total changes from financing cash flows	6,441	(28,169)	(2,115)	(23,843)
Exchange adjustments	–	711	(14)	697
Other changes:				
Interest expenses	7,105	1,849	835	9,789
Additions in lease liabilities	–	–	2,369	2,369
Transfer to other payables	(7,105)	–	–	(7,105)
Total other changes	–	1,849	3,204	5,053
At 31 December 2024	143,199	–	12,897	156,096

(d) Non-cash transactions

During the year ended 31 December 2025, the Group acquired 35 (2024: 26) building units by utilising the prepayments for constructions made in prior years of RMB12,512,000 (2024: RMB10,763,000).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

11. PLEDGED BANK DEPOSITS

Pledged bank deposits represent the deposits pledged to banks for the financial guarantees that the Group provides to the customers for their borrowings from banks.

12. TRADE AND OTHER RECEIVABLES

	Note	2025 RMB'000	2024 RMB'000
Receivables from guarantee payments	(a)(i)	129,522	129,522
Less: loss allowances	(a)(iii)	(111,920)	(112,428)
		17,602	17,094
Trade debtors from guarantees		1,917	13
Trade debtors from breeding services		887	–
Trade debtors from sales of biological assets		–	516
Trade debtors with third parties from sales of energy storage system		1,001	112
Trade debtors with related parties from sales of energy storage system		10,770	499
	(a)(ii)	14,575	1,140
Trade receivables	(a)	32,177	18,234
Deposit and other receivables, net of loss allowances	(b)	29,605	40,645
Amounts due from related parties, net of loss allowances	(c)	1,638	36
Deferred expenses of online financial guarantee business		44	38
Prepayments for constructions, net of loss allowances	(d)	5,530	18,742
Amount due from former non-controlling interest of a subsidiary	(e)	2,309	4,626
Prepayment to a supplier		2,570	1,698
Mortgage assets		2,111	2,293
Others		1,808	1,280
Other receivables		45,615	69,358
Total		77,792	87,592

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Year ended 31 December 2025

12. TRADE AND OTHER RECEIVABLES *(continued)*

(a) Ageing analysis of trade receivables

As at the end of the reporting period, the ageing analysis of trade receivables (net of loss allowances), based on the relevant income recognition date or invoice date, is as follows:

		2025	2024
	Note	RMB'000	RMB'000
Within 1 month		13,775	611
Over 1 month but less than 3 months		800	–
More than 1 year		129,522	130,051
Total		144,097	130,662
Less: loss allowances	(iii)	(111,920)	(112,428)
Total		32,177	18,234

(i) Receivables from guarantee payments

Receivables from guarantee payments represented payments made by the Group to reimburse the Holder for a loss the Holder incurred because the customers fail to make payments when due in accordance with the terms of the corresponding debt instruments. The Group holds certain collaterals over certain receivables from guarantee payments.

During the years ended 31 December 2025 and 2024, the Group did not dispose of receivables from guarantee payments.

(ii) The Group normally grant credit terms up to 60 days from the date of issuance of invoices.

(iii) Trade receivables that are impaired

Loss allowance in respect of trade and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the loss allowance is written-off against the receivables directly.

As at 31 December 2025, the Group's receivables of RMB129,522,000 (2024: RMB130,051,000) were determined to be stage 3 lifetime ECL non credit-impaired. These related to customers or other parties that were in financial difficulties and management assessed that the receivables are not expected to be fully recovered.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

12. TRADE AND OTHER RECEIVABLES *(continued)*

(a) Ageing analysis of trade receivables *(continued)*

(iii) Trade receivables that are impaired *(continued)*

The gross carrying amounts of the trade receivables, by credit risk rating grades, are as follows:

Internal credit rating	ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
As at 31 December 2025				
Performing	12-months	14,575	–	14,575
Underperforming (non credit-impaired)	Lifetime	129,522	(111,920)	17,602
		144,097	(111,920)	32,177
As at 31 December 2024				
Performing	12-month	611	–	611
Underperforming (non credit-impaired)	Lifetime	130,051	(112,428)	17,623
		130,662	(112,428)	18,234

As at 31 December 2025, the Group recognised loss allowance of RMB111,920,000 (2024: RMB112,428,000) on the balances.

The movement in the loss allowance, which is measured at lifetime ECL, for the trade receivables during the year is summarised below.

	2025 RMB'000	2024 RMB'000
As at 1 January	112,428	110,851
Net re-measurement of loss allowance	(397)	1,670
Write-off	(111)	–
Recoveries	–	(93)
As at 31 December	111,920	112,428

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Year ended 31 December 2025

12. TRADE AND OTHER RECEIVABLES *(continued)*

(b) Deposit and other receivables, net of loss allowances

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Deposit		1,851	1,614
Other receivables	(i)	111,803	120,514
Total		113,654	122,128
Less: loss allowances		(84,049)	(81,483)
Total		29,605	40,645

- (i) Other receivables are mainly the prepayments of cooperation funds, deposits for rentals, consideration receivables and interest receivables. The prepayments of cooperation funds are paid to unrelated third parties for joint business bidding or preparation. If the contract is not completed within the agreed dates, the unrelated third parties will refund the prepayments to the Group. The deposits and other receivables are expected to be recovered within 12 months.

Movement of loss allowance

	2025 RMB'000	2024 RMB'000
As at 1 January	81,483	85,618
Net re-measurement of loss allowance	2,566	–
Recoveries	–	(4,135)
As at 31 December	84,049	81,483

As at 31 December 2025, management adopted a lifetime ECL credit impaired assessment on the Group's other debtors amounting to RMB84,049,000 (2024: RMB81,483,000).

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12. TRADE AND OTHER RECEIVABLES *(continued)*

(c) Amounts due from related parties, net of loss allowances

	2025 RMB'000	2024 RMB'000
Amounts due from related parties	6,271	4,669
Less: loss allowances	(4,633)	(4,633)
Total	1,638	36

The amounts due are unsecured, interest-free and repayable on or before 31 December 2026 (2024: 31 December 2025).

Movement of loss allowance

	2025 RMB'000	2024 RMB'000
At the beginning and end of the reporting period	4,633	4,633

As at 31 December 2025, management adopted a lifetime ECL credit impaired assessment on the Group's amounts due from related parties amounting to RMB4,633,000 (2024: RMB4,633,000).

(d) Prepayments for constructions, net of impairment loss

	2025 RMB'000	2024 RMB'000
Prepayments for constructions	5,869	21,830
Less: impairment loss	(339)	(3,088)
Total	5,530	18,742

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Year ended 31 December 2025

12. TRADE AND OTHER RECEIVABLES *(continued)*

(d) Prepayments for constructions, net of impairment loss *(continued)*

Movement of impairment loss

	2025 RMB'000	2024 RMB'000
As at 1 January	3,088	–
Net re-measurement of loss allowance	–	3,088
Write-off	(2,749)	–
As at 31 December	339	3,088

(e) Amount due from former non-controlling interest of a subsidiary

The amounts due are unsecured, interest-free and repayable on or before 31 December 2026 (2024: 31 December 2025).

13. FACTORING RECEIVABLES

	2025		
	12-month ECL RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
Factoring receivables	–	45,708	45,708
Interest receivable from factoring receivables	–	5,882	5,882
Less: loss allowances for factoring receivables	–	(44,521)	(44,521)
Carrying amount of factoring receivables	–	7,069	7,069

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13. FACTORING RECEIVABLES *(continued)*

	2024		Total RMB'000
	12-month ECL RMB'000	Lifetime ECL credit- impaired RMB'000	
Factoring receivables	5,708	40,000	45,708
Interest receivable from factoring receivables	2,067	4,215	6,282
Less: loss allowances for factoring receivables	(2,239)	(37,982)	(40,221)
Carrying amount of factoring receivables	5,536	6,233	11,769

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of factoring receivables (net of loss allowances), based on contract effective date, is as follows:

	2025 RMB'000	2024 RMB'000
Over 3 months but less than 1 year	–	7,775
More than 1 year	51,590	44,215
Total	51,590	51,990
Less: loss allowances for factoring receivables	(44,521)	(40,221)
Total	7,069	11,769

As at 31 December 2025, RMB51,590,000 (2024: RMB44,215,000) of the balances has passed the maturity date in contracts.

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Year ended 31 December 2025

13. FACTORING RECEIVABLES *(continued)*

(b) Loss allowance of factoring receivables

Loss allowance in respect of factoring receivables is recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the loss allowance is written-off against the factoring receivables directly.

The movement in the loss allowance for the factoring receivables during the year is summarised below.

	2025 RMB'000	2024 RMB'000
As at 1 January	40,221	39,612
Net re-measurement of loss allowance	4,300	609
As at 31 December	44,521	40,221

14. FINANCE LEASE RECEIVABLES

	2025		
	12-month ECL RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
Finance lease receivables	16,000	159,857	175,857
Less: loss allowances for finance lease receivables	–	(144,556)	(144,556)
Carrying amount of finance lease receivables	16,000	15,301	31,301

	2024		
	12-month ECL RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
Finance lease receivables	16,000	160,926	176,926
Less: loss allowances for finance lease receivables	–	(146,067)	(146,067)
Carrying amount of finance lease receivables	16,000	14,859	30,859

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14. FINANCE LEASE RECEIVABLES *(continued)*

- (a) The table below analyses the undiscounted lease payments to be received from the finance lease receivables:

	2025 RMB'000	2024 RMB'000
Within 1 year	16,906	906
1 - 2 year	–	16,906
Overdue	159,857	160,926
	176,763	178,738
Less: unsecured interest income	(906)	(1,812)
	175,857	176,926

- (b) Movement of loss allowances for finance lease receivables

	2025 RMB'000	2024 RMB'000
As at 1 January	146,067	148,290
Net re-measurement of loss allowance	(442)	1,451
Recoveries	(1,069)	(3,674)
As at 31 December	144,556	146,067

As at 31 December 2025, management adopted a lifetime ECL credit impaired assessment on the Group's finance lease receivables and recognised a loss allowance amounting to RMB144,556,000 (2024: RMB146,067,000).

- (c) The ageing analysis of finance lease receivables (net of loss allowances), based on the due date, is as follows:

	2025 RMB'000	2024 RMB'000
Not past due	16,000	16,000
Past due more than 1 year	159,857	160,926
Total	175,857	176,926
Less: loss allowances for finance lease receivables	(144,556)	(146,067)
Total	31,301	30,859

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15. INVESTMENT IN SUBSIDIARIES

The particulars of the Company's subsidiaries are as follows:

Name of company	Place of incorporation and operation	Date of incorporation	Fully paid-up capital	Proportion of ownership interest			Principal activities
				Group's effective interest	Held by the Company	Held by a subsidiary	
Double Chance Developments Limited	British Virgin Islands	8 February 2012	1 share of USD1	100%	100%	–	Investment holding
China Success Capital Limited	British Virgin Islands	29 June 2016	1 share of USD1	100%	100%	–	Investment holding
China Success Finance Holdings Limited	Hong Kong	18 November 2011	10,000 shares of HK\$1 each	100%	–	100%	Investment holding
China Success Capital (HK) Limited	Hong Kong	1 August 2016	–	100%	–	100%	Investment holding
Guangdong Success Asset Management Company Limited* 廣東集成資產管理有限公司	Chinese Mainland	23 June 2004	RMB170,270,000	99.27%	–	99.27%	Provision of consultancy services in the Chinese Mainland
Guangdong Success Finance Guarantee Company Limited* 廣東集成融資擔保有限公司 ("Success Guarantee")	Chinese Mainland	26 December 1996	RMB430,000,000	99.27%	–	100%	Provision of financial guarantee services in the Chinese Mainland
Foshan Success Financial Leasing Company Limited* 佛山市集成融資租賃有限公司	Chinese Mainland	6 June 2014	USD28,000,000	100%	–	100%	Provision of financial leasing services in the Chinese Mainland
Shenzhen Success Equity Investment Fund Management Limited* 深圳集成股權投資基金管理有限公司	Chinese Mainland	6 September 2014	RMB15,000,000	100%	–	100%	Equity investment in the Chinese Mainland

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15. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Place of incorporation and operation	Date of incorporation	Fully paid-up capital	Proportion of ownership interest			Principal activities
				Group's effective interest	Held by the Company	Held by a subsidiary	
Shenzhen Success Number One Equity Investment Fund Limited Partnership* 深圳市集成一號股權投資基金中心(有限合伙) ("Success Fund")	Chinese Mainland	14 January 2015	RMB194,000,000	100%	-	100%	Equity investment in the Chinese Mainland
Shenzhen Qianhai Success Kaiyue Holding Limited* 深圳前海集成凱粵控股有限公司 ("Qianhai Success Housing")	Chinese Mainland	8 July 2015	RMB61,000,000	100%	-	100%	Inactive
Guangzhou Hengyue Number Six Investment Limited Partnership* 廣州恒粵六號投資合夥企業(有限合伙) ("Hengyue Number Six")	Chinese Mainland	23 February 2017	RMB45,070,027	99.34%	-	100%	Equity investment in the Chinese Mainland
Hong Kong Digital Asset Investment Limited 香港數字資產投資有限公司	Hong Kong	30 June 2025	HK\$10,000	100%	-	100%	Inactive
Foshan Success Cloud Technology Company Limited* 佛山集成雲技術科技有限公司	Chinese Mainland	9 January 2019	RMB10,000,000	70%	-	70%	Provision of financial consulting and maintenance services in the Chinese Mainland
Yangmianshan Company Limited* 鶴山市綠湖羊眠山農業發展有限公司	Chinese Mainland	15 December 2017	RMB 3,000,000	51%	-	51%	Provision of breeding services in the Chinese Mainland
GNW Capital Limited	Hong Kong	1 September 2023	HK\$100,000	51%	-	51%	Trading of energy storage system in overseas

* The English translation of the names is for reference only. The official names of the entities are in Chinese.

Except for Success Fund and Hengyue Number Six which are limited partnership, all of the above subsidiaries are limited liability companies. No debt securities were issued by the Company's subsidiaries.

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15. INVESTMENT IN SUBSIDIARIES *(continued)*

(a) Non-controlling interests

The following table lists out the information relating to Yangmianshan, a subsidiary of the Company which has material non-controlling interests (“NCI”). The summarised financial information presented below represents the amounts before any inter-company elimination.

	2025 RMB'000	2024 RMB'000
NCI percentage	49%	49%
Current assets	4,248	4,477
Non-current assets	145,109	152,352
Current liabilities	(213,200)	(202,724)
Non-current liabilities	(57,028)	(62,315)
Net liabilities	(120,871)	(108,210)
Carrying amount of NCI	(59,227)	(53,022)
Revenue	9,692	6,731
Loss and total comprehensive loss for the year	(15,748)	(34,369)
Loss and total comprehensive loss attributable to NCI	(7,717)	(16,841)
Net cash from operating activities	3,596	11,915
Net cash used in investing activities	–	–
Net cash used in financing activities	(3,331)	(12,032)

16. INTEREST IN ASSOCIATES

The amount recognised in the consolidated statement of financial position is as follows:

	2025 RMB'000	2024 RMB'000
Costs of investments	99,584	97,584
Accumulated impairment losses	(51,651)	(51,651)
Share of post-acquisition losses and other comprehensive losses, net of dividends received	(24,434)	(23,017)
	23,499	22,916

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16. INTEREST IN ASSOCIATES (continued)

The amount recognised in the consolidated statement of profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Share of results of associates	(1,417)	120

The following list contains the particulars of the associates, which are unlisted corporate entities whose quoted market price is not available:

Name of associates	Form of business structure	Place of incorporation and operation	Fully paid-up capital by all investors	Proportion of ownership interest		Principal activities
				Group's effective interest	Held by a subsidiary	
Kelly Integration (Guangdong) Private Equity Fund Management Co., Ltd. * ("Guangzhou Hengsheng") 凱利集成(廣東)私募基金管理有限公司	Incorporated	Chinese Mainland	RMB30,000,000	40% (note (i))	40%	Equity fund management
Kelly Integration (Guangdong) Holding Co., Ltd. ("Kelly Integration") 凱利集成(廣東)控股有限公司	Incorporated	Chinese Mainland	RMB20,000,000	30% (note (ii))	30%	Business Service
Foshan Chancheng Success Micro Credit Co., Ltd. * ("Success Credit") 佛山市禪城集成小額貸款有限公司	Incorporated	Chinese Mainland	RMB250,000,000	27.08% (note (iii))	27.28%	Micro credit financing
Guangzhou Rongdacheng Information Technology Service Co., Ltd. * ("Guangzhou Rongdacheng") 廣州融達成信息技術服務有限公司*	Incorporated	Chinese Mainland	RMB8,000,000	30% (note (iii))	30%	Information technology

* The English translation of the names is for reference only. The official names of the entities are in Chinese.

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16. INTEREST IN ASSOCIATES (continued)

Note:

- (i) Together with Xizang Xuekunfushen Investment Co., Ltd. (西藏雪坤富神投資有限公司) and 廣州致坤投資合夥企業(有限合夥), Success Fund established Guangzhou Hengsheng on 23 November 2015 to provide equity fund management services to its customers. Success Fund contributed RMB20,000,000 (2024: RMB20,000,000) out of the RMB50,000,000 registered capital of Guangzhou Hengsheng, while the other investors contributed only RMB10,000,000 (2024: RMB10,000,000) as at 31 December 2025. Therefore, the Group's effective share of Guangzhou Hengsheng's net assets and results was 66.67% (2024: 66.67%) as at 31 December 2025.
- (ii) Together with China Kelly Group Co., Ltd. (中國凱利集團有限公司), Guangdong Hengyin Holding Co., Ltd. (廣東恒銀控股有限公司), Hua Ye Holding Co., Ltd. (華葉控股有限公司) and Guangdong Nengxing Culture Communication Co., Ltd. (廣東能興文化傳播有限公司), Qianhai Success Housing invested in Kelly Integration to provide business service to its customers. Qianhai Success Housing contributed only RMB6,000,000 (2024: RMB4,000,000) out of the RMB20,000,000 (2024: RMB18,000,000) registered capital of Kelly Integration. Therefore, the Group's effective share of Kelly Integration's net assets and results was 30.00% (2024: 22.22%) as at 31 December 2025.
- (iii) The management made full impairment of interest in Success Credit and Guangzhou Rongdacheng in prior years.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information

Summarised financial information of each of the material associates of the Group, prepared using the same accounting policies as adopted by the Group, is set out below.

(a) Guangzhou Hengsheng

- (i) Summarised statement of financial position

	2025 RMB'000	2024 RMB'000
Current assets	9,517	10,208
Current liabilities	(2,712)	(616)
Net current assets	6,805	9,592
Non-current assets	20,141	19,058
Net assets	26,946	28,650

Notes to the Consolidated Financial Statements

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16. INTEREST IN ASSOCIATES *(continued)*

Summarised financial information *(continued)*

(a) *Guangzhou Hengsheng* *(continued)*

(ii) Summarised statement of comprehensive income

	2025 RMB'000	2024 RMB'000
Revenue	241	4,311
(Loss) Profit before taxation	(1,704)	3
Income tax expense	–	–
(Loss) Profit and total comprehensive (loss) income	(1,704)	3

(iii) Reconciliation of interest in the associate to the Group:

	2025 RMB'000	2024 RMB'000
Net assets of Guangzhou Hengsheng	26,946	28,650
Proportion of the Group's effective ownership	66.67%	66.67%
Share of net assets to the Group	17,965	19,101
Share of results of the associates to the Group	(1,136)	1

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16. INTEREST IN ASSOCIATES *(continued)*

Summarised financial information *(continued)*

(b) Kelly Integration

(i) Summarised statement of financial position

	2025 RMB'000	2024 RMB'000
Current assets	44,985	40,653
Current liabilities	(103,775)	(101,177)
Net current liabilities	(58,790)	(60,524)
Non-current assets	77,237	77,908
Net assets	18,447	17,384

(ii) Summarised statement of comprehensive income

	2025 RMB'000	2024 RMB'000
Revenue	–	3,113
(Loss) Profit before taxation	(937)	397
Income tax expense	–	–
(Loss) Profit and total comprehensive (loss) income	(937)	397

(iii) Reconciliation interest in the associate to the Group:

	2025 RMB'000	2024 RMB'000
Net assets of Kelly Integration	18,447	17,384
Proportion of the Group's effective ownership	30.00%	22.22%
Share of net assets to the Group	5,534	3,815
Share of results of the associates to the Group	(281)	119

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16. INTEREST IN ASSOCIATES *(continued)*

Summarised financial information *(continued)*

(b) Kelly Integration *(continued)*

Contingent liabilities

As at 31 December 2025 and 2024, there were no contingent liabilities incurred by the Group in relation to its interests in associates.

17. BIOLOGICAL ASSETS

	Current - Market hogs	Non-current - Agricultural produces	Total
	RMB'000	RMB'000	RMB'000
	(Note 17 (i))	(Note 17 (ii))	
At 1 January 2024	809	874	1,683
Increase due to raising	4,811	98	4,909
Decrease due to sales/disposal	(5,620)	–	(5,620)
At 31 December 2024 and 1 January 2025	–	972	972
Increase due to raising	–	199	199
At 31 December 2025	–	1,171	1,171

(i) Current biological assets – Market hogs

Current commercial stocks are live hogs including piglets and growing hogs which are raised for sale.

(ii) Non-current biological assets – Agricultural produces

Agricultural produces are eucalyptus seedings which are planted for future sale.

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17. BIOLOGICAL ASSETS *(continued)*

(iii) The quantities of biological assets owned by the Group at the end of the reporting period are as follows:

	2025	2024
Non-current biological assets – eucalyptus seedlings (mu)	1,265	1,265

18. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	29	47

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19. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Pig Farm and other buildings RMB'000	Motor vehicles RMB'000	Office and other equipment RMB'000	Improvements RMB'000	Construction in Progress RMB'000	Right-of- use assets RMB'000 (Note (b))	Total RMB'000
Cost							
At 1 January 2024	115,160	5,200	64,907	2,031	9,776	22,907	219,981
Additions	10,763	-	142	404	-	2,369	13,678
Disposals	-	-	(33)	-	-	-	(33)
Exchange adjustments	-	32	6	-	-	18	56
At 31 December 2024 and 1 January 2025	125,923	5,232	65,022	2,435	9,776	25,294	233,682
Additions	12,512	-	127	200	-	28	12,867
Disposal	-	-	(61)	-	-	-	(61)
Lease modification	-	-	-	-	-	387	387
Exchange adjustments	-	(36)	(8)	-	-	(20)	(64)
At 31 December 2025	138,435	5,196	65,080	2,635	9,776	25,689	246,811
Accumulated depreciation and impairment							
At 1 January 2024	(15,504)	(4,490)	(12,698)	(143)	-	(7,038)	(39,873)
Charge for the year	(5,798)	(327)	(4,271)	(159)	-	(1,780)	(12,335)
Impairment loss for the year	(15,820)	-	-	-	-	(2,341)	(18,161)
Written back on disposal	-	-	33	-	-	-	33
Exchange adjustments	-	(30)	(6)	-	-	(14)	(50)
At 31 December 2024 and 1 January 2025	(37,122)	(4,847)	(16,942)	(302)	-	(11,173)	(70,386)
Charge for the year	(5,744)	(298)	(4,214)	(649)	-	(1,012)	(11,917)
Impairment loss for the year	(871)	-	-	-	-	-	(871)
Written back on disposal	-	-	61	-	-	-	61
Exchange adjustments	-	35	8	-	-	20	63
At 31 December 2025	(43,737)	(5,110)	(21,087)	(951)	-	(12,165)	(83,050)
Net book value							
At 31 December 2025	94,698	86	43,993	1,684	9,776	13,524	163,761
At 31 December 2024	88,801	385	48,080	2,133	9,776	14,121	163,296

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19. PROPERTY, PLANT AND EQUIPMENT *(continued)*

(a) Reconciliation of carrying amount *(continued)*

An impairment loss of RMB871,000 (2024: RMB2,363,000) was recognised in profit or loss during the year ended 31 December 2025 in respect of the Group's office premises, determined with reference to recent transactions of similar properties.

(b) Right-of-use assets

The analysis of the carrying amount of right-of-use assets by class of underlying assets is as follows:

	2025 RMB'000	2024 RMB'000
Office premises leased for own use, carried at depreciated cost in the Chinese Mainland, with remaining lease terms of more than 1 year and less than 2 (2024: 2) years	328	196
Pig farm leased for own use, carried at depreciated cost in the Chinese Mainland, with remaining lease terms of more than 1 year and less than 26 (2024: 27) years	13,196	13,925
	13,524	14,121

Lease terms are negotiated on an individual basis and contain similar terms and conditions.

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19. PROPERTY, PLANT AND EQUIPMENT *(continued)*

(b) Right-of-use assets *(continued)*

Restrictions or covenants

Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use assets can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

The Group has recognised the following amounts for the year:

	2025 RMB'000	2024 RMB'000
Lease payments:		
Short-term leases	125	96
Expenses recognised in profit or loss	125	96
Lease payments:		
Interests on lease liabilities	(802)	(835)
Repayment of lease liabilities	1,322	2,115
	520	1,280
Total cash outflow for leases	645	1,376

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20. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVPL”)

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Exchangeable bond	(a)	6,914	–
Unlisted equity investment	(b)	1,211	1,563
		8,125	1,563

- (a) In May 2025, the Group entered into a subscription agreement in relation to the subscription of an exchangeable bond, under which the Group is entitled to exchange the bond (in full or partially) for ordinary shares of an unlisted equity investment. The total consideration paid by the Group for the subscription of the exchangeable bond during the year ended 31 December 2025 was RMB7,101,000. For further details, please refer to the Company's announcements dated 2 May 2025, 9 May 2025 and 28 August 2025.
- (b) In 2017, a subsidiary of the Company acquired 3.5% interest in Foshan Shengshi Junen Enterprise Management Company Limited (“Shengshi Junen Enterprise Management”), a company engaged in property development, by contributing its 3.5% interest in the land use rights of a property development project with original cost of RMB6,107,000 to Shengshi Junen Enterprise Management.

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21. DEFERRED TAX

(a) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Impairment allowances for trade and other receivables RMB'000	Accrued expenses RMB'000	Interest receivables RMB'000	Fair value change gains and losses RMB'000	Total RMB'000
At 1 January 2024	29,265	173	(210)	(776)	28,452
(Charged)/Credited to profit or loss	(5,971)	–	–	1,912	(4,059)
Others	(3,240)	–	–	–	(3,240)
Off-set	20,054 (210)	173 –	(210) 210	1,136 –	21,153 –
At 31 December 2024	19,844	173	–	1,136	21,153
At 1 January 2025	20,054	173	(210)	1,136	21,153
(Charged)/Credited to profit or loss	(4,826)	–	–	88	(4,738)
Others	(2,840)	–	–	–	(2,840)
Off-set	12,388 (210)	173 –	(210) 210	1,224 –	13,575 –
At 31 December 2025	12,178	173	–	1,224	13,575

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21. DEFERRED TAX *(continued)*

(b) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB166,830,000 (2024: RMB170,072,000) 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.

At the end of the reporting period, the Group had the following tax losses that can be offset against future taxable profits of the respective subsidiaries from the year in which the tax losses were incurred. The expiry dates of the unrecognised tax losses are as follows:

	2025 RMB'000	2024 RMB'000
Tax loss without expiry date	415	1,270
Tax losses expiring in:		
– 2025	–	2,653
– 2026	24,462	27,134
– 2027	99,149	99,149
– 2028	34,175	34,175
– 2029	5,691	5,691
– 2030	2,938	–
	166,830	170,072

22. LIABILITIES FROM GUARANTEES

	2025 RMB'000	2024 RMB'000
Deferred income	1,145	2,073
Provisions for guarantee losses	12,553	15,897
Total	13,698	17,970

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22. LIABILITIES FROM GUARANTEES *(continued)*

(a) Provisions for guarantee losses

	<i>Note</i>	2025 RMB'000	2024 RMB'000
As at 1 January		15,897	19,212
Credited for the year	5(a)	(3,344)	(3,315)
As at 31 December		12,553	15,897

23. PLEDGED DEPOSITS RECEIVED

Pledged deposits received represent deposits received from customers or third parties as collateral for online financial guarantees issued by the Group. These deposits will be refunded to the customers or third parties upon expiry of the corresponding guarantee contracts. In accordance with the contract terms, RMB5,277,000 (2024: RMB33,009,000) is expected to be settled within one year.

24. BANK AND OTHER BORROWINGS

	<i>Note</i>	2025 RMB'000	2024 RMB'000
<u>Bank borrowings, secured</u>			
Repayable within one year or on demand		57,233	55,169
Repayable after one year but within two years		17,288	17,226
Repayable after two years but within five years		35,343	45,047
Repayable after five years		605	8,207
	24(a)	110,469	125,649
<u>Other borrowings, unsecured</u>			
Loan from non-controlling shareholder of a subsidiary	24(b)	6,352	2,270
Loan from Expert Depot Limited, the controlling shareholder of the Company	24(c)	–	15,280
		6,352	17,550
Total		116,821	143,199

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24. BANK AND OTHER BORROWINGS *(continued)*

- (a) As at 31 December 2025, banking facilities of the Group totaling RMB140,000,000 (2024: RMB140,000,000), secured by pledging the ordinary shares of a subsidiary of the Company, were utilised to the extent of RMB99,980,000 (2024: RMB113,980,000). The bank borrowings bear interest at the prevailing interest rate of Loan Prime Rate (“LPR”) in the Chinese Mainland, plus no less than 65 basis points.

As at 31 December 2025, bank borrowings of RMB10,489,000 (2024: RMB11,669,000) were secured by the prepayments for constructions with carrying amount of RMB5,530,000 (2024: RMB18,742,000) and the property, plant and equipment with carrying amount of RMB20,041,000 (2024: RMB8,400,000). The bank borrowings bear interest at the prevailing interest rate of LPR in the Chinese Mainland, plus 80 basis points.

No covenants relating to the financial ratios of the Group or any of its subsidiaries were required by the banks as at 31 December 2025 and 2024.

- (b) The amount is unsecured, interest-free and has no fixed repayment term, except for an amount of RMB4,626,000 (2024: RMB500,000), which is unsecured, interest-bearing at 3.5% per annum and repayable on or before 31 March 2026.
- (c) The amount is unsecured, interest-bearing at The Hong Kong and Shanghai Banking Corporation Limited (“HSBC”) Best Lending rate plus 2%, capped at 7.875%, per annum and repayable on or before 18 July 2027, except for an amount of RMB463,000, which is unsecured, interest-bearing at HSBC Best Lending rate plus 2%, capped at 7.25%, per annum and repayable on or before 26 December 2027. The amount was fully settled during the year ended 31 December 2025.

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25. TRADE AND OTHER PAYABLES

	Note	2025 RMB'000	2024 RMB'000
Trade payables			
– To third parties		5,975	–
– To an entity in which a non-controlling shareholder of a subsidiary has beneficial interest		1,805	–
	(a)	7,780	–
Construction costs payable for the pig farm		10,058	12,424
Amount due to a non-controlling shareholder of a subsidiary	(b)	5,790	–
Salary payable		2,729	9,201
Audit fees		1,620	1,700
Others		8,450	7,160
		28,647	30,485
Total		36,427	30,485

(a) Trade payables

The trade payables are with credit terms ranging from 30 to 60 days.

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Within 30 days	4,641	–
31 to 60 days	3,139	–
	7,780	–

(b) Amount due to a non-controlling shareholder of a subsidiary

The amount due is unsecured, interest-free and repayable on demand.

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26. LEASE LIABILITIES

As at 31 December 2025 and 2024, the lease liabilities were repayable as follows:

	2025 RMB'000	2024 RMB'000
Current portion	490	420
Non-current portion	12,302	12,477
	12,792	12,897

27. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company adopted share option schemes on 18 October 2013 (the “Post-IPO Share Option Scheme”) and 28 June 2024 (the “2024 Share Option Scheme”) respectively, under which directors and employees of the Group were invited to take up options at HK\$1 to subscribe for shares of the Company. Each option gives the holder the right to subscribe for one ordinary share in the Company. Further details of the schemes are set out in the section headed “Share option scheme” in the “Report of our Directors” of the Company.

The Post-IPO Share Option Scheme

On 18 May 2020, the Group granted 31,755,400 share options to subscribe for 31,755,400 ordinary shares of the Company at HK\$0.84 each. Of the 31,755,400 share options, 3,600,000 share options were granted to the directors of the Company, 3,155,400 share options were granted to core employees of the Group, and 25,000,000 share options were granted to employees of the Group with specific performance targets as an incentive. All share options will become exercisable on the first anniversary of the grant date and will mature within 10 years.

On 17 October 2023, the Board of Directors of the Company approved to grant 5,703,000 share options at the exercise price of HK\$0.74 per share. Of the 5,703,000 share options, 1,900,000 share options were granted to the directors of the Company, and 3,803,000 share options were granted to employees of the Group. All share options will become exercisable on the grant date and will mature within 10 years.

The 2024 Share Option Scheme

On 29 April 2025, the Board of Directors of the Company approved to grant 9,000,000 share options at the exercise price of HK\$0.85 per share. Of the 9,000,000 share options, 4,000,000 share options were granted to the directors of the Company, and 5,000,000 share options were granted to employees of the Group. All share options will become exercisable on the first anniversary of the grant date and will mature within 10 years.

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27. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Fair value of share options and assumption

The fair value of the share options granted is measured at the date of grant, using the binomial option pricing model, taking into account the terms and conditions of the share-based arrangement. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The inputs into the model are as follows:

Grant date	Fair value at grant date HK\$ per share option	The closing price of the Company's shares quoted on the Stock Exchange at grant date HK\$ per share	Exercise price HK\$ per share	Risk-free interest rate	Expected volatility	Expected life	Expected dividend yield
29 April 2025	0.44	0.85	0.85	3.28%	56.5%	10 years	0%

Estimation of the value of the share options is subjective and uncertain as such values are subject to a number of assumptions and with regard to the limitation of the model. The expected volatility is based on the historical volatility reflecting the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. All significant features necessary to be considered for the measurement of fair values of the share options granted in the year were incorporated into such measurement.

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Year ended 31 December 2025

27. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(continued)*

The movements of the Company's share options during the year are as follows:

2025:

Category of participants	Date of grant	Vesting date	Exercise price HK\$	Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Outstanding at 31 December 2025
Directors	29 April 2025	29 April 2026	0.85	–	4,000,000	–	4,000,000
	17 October 2023	17 October 2024	0.74	1,900,000	–	–	1,900,000
	18 May 2020	18 May 2020	0.84	3,200,000	–	–	3,200,000
Employees	29 April 2025	29 April 2026	0.85	–	5,000,000	–	5,000,000
	17 October 2023	17 October 2024	0.74	3,803,000	–	(960,000)	2,843,000
	18 May 2020	18 May 2020	0.84	2,446,000	–	(266,000)	2,180,000
				11,349,000	9,000,000	(1,226,000)	19,123,000

2024:

Category of participants	Date of grant	Vesting date	Exercise price HK\$	Outstanding at 1 January 2024	Exercised during the year	Cancelled/ Expired during the year	Outstanding at 31 December 2024
Directors	17 October 2023	17 October 2024	0.74	1,900,000	–	–	1,900,000
	18 May 2020	18 May 2020	0.84	3,200,000	–	–	3,200,000
Employees	17 October 2023	17 October 2024	0.74	3,803,000	–	–	3,803,000
	18 May 2020	18 May 2020	0.84	2,605,400	(129,400)	(30,000)	2,446,000
				11,508,400	(129,400)	(30,000)	11,349,000

As at 31 December 2025, 10,123,000 (2024: 11,349,000) share options were exercisable.

The Company received proceeds of HK\$934,000 (equivalent to RMB844,000) in respect of 1,226,000 options exercised during the year. RMB11,000 and RMB833,000 were credited to share capital and share premium respectively. The weighted average share price at the date of exercise was HK\$1.35 per share.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

28. SHARE CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	The Company					Total RMB'000
	Share capital RMB'000 <i>Note 28(c)</i>	Share premium RMB'000 <i>Note 28(d)</i>	Capital reserve RMB'000 <i>Note 28(e)</i>	Exchange reserve RMB'000 <i>Note 28(h)</i>	Accumulated losses RMB'000	
At 1 January 2024	4,420	468,566	23,434	69,412	(296,442)	269,390
Loss for the year	-	-	-	-	(50,106)	(50,106)
<i>Items that may not be reclassified subsequently to profit or loss:</i>						
Currency translation differences of financial statements	-	-	-	12,070	-	12,070
Total comprehensive income/(loss)	-	-	-	12,070	(50,106)	(38,036)
Issue of shares upon exercise of share options	1	98	-	-	-	99
Redemption of convertible bonds	-	-	(3,942)	-	3,942	-
Equity-settled share-based payments	-	-	1,457	-	-	1,457
At 31 December 2024	4,421	468,664	20,949	81,482	(342,606)	232,910

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

28. SHARE CAPITAL AND RESERVES (continued)

(a) Movements in components of equity (continued)

	The Company					
	Share capital RMB'000 <i>Note 28(c)</i>	Share premium RMB'000 <i>Note 28(d)</i>	Capital reserve RMB'000 <i>Note 28(e)</i>	Exchange reserve RMB'000 <i>Note 28(h)</i>	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025	4,421	468,664	20,949	81,482	(342,606)	232,910
Loss for the year	-	-	-	-	(28,849)	(28,849)
<i>Items that may not be reclassified subsequently to profit or loss:</i>						
Currency translation differences of financial statements	-	-	-	(9,210)	-	(9,210)
Total comprehensive loss	-	-	-	(9,210)	(28,849)	(38,059)
Issue of shares upon exercise of share options	11	833	-	-	-	844
Issue of shares	706	48,220	-	-	-	48,926
Equity-settled share-based payments	-	-	2,404	-	-	2,404
At 31 December 2025	5,138	517,717	23,353	72,272	(371,455)	247,025

(b) Dividends

The Company did not declare any dividend throughout the years ended 31 December 2025 and 2024.

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Year ended 31 December 2025

28. SHARE CAPITAL AND RESERVES *(continued)*

(c) Share capital

Authorised and issued share capital

	2025			2024		
	No. of shares '000	Share capital HK\$'000	Share capital RMB'000	No. of shares '000	Share capital HK\$'000	Share capital RMB'000
Authorised:						
Ordinary shares of HK\$0.01 each (note (ii))	1,200,000	12,000	10,850	800,000	8,000	6,512
Ordinary shares, issued and fully paid:						
At 1 January	552,437	5,524	4,421	552,307	5,523	4,420
Issue of shares (note (iii))	77,000	770	706	–	–	–
Issue of shares upon exercise of share options (note 27)	1,226	12	11	130	1	1
At 31 December	630,663	6,306	5,138	552,437	5,524	4,421

- (i) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.
- (ii) On 27 June 2025, the authorised share capital of the Company was increased from HK\$8,000,000, divided into 800,000,000 shares of HK\$0.01 each, to HK\$12,000,000, divided into 1,200,000,000 shares of HK\$0.01 each, by the creation of an additional 400,000,000 new shares of HK\$0.01 each. These new shares shall rank pari passu in all respects with the existing shares of the Company.
- (iii) On 26 May 2025, a total of 77,000,000 placing shares were successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.70 per placing share pursuant to the terms and conditions of the placing agreement, as detailed in the Company's announcements dated 2 May 2025, 9 May 2025 and 26 May 2025.

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28. SHARE CAPITAL AND RESERVES *(continued)*

(d) Share premium

Under the Companies Law of the Cayman Islands, the Company's share premium account is distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(e) Capital reserve

The capital reserve comprises the following:

- the difference between the nominal value of the share capital of the Company and the paid-up capital of Success Guarantee, plus the net assets acquired pursuant to the group reorganisation completed on 17 September 2012;
- the grant date fair value of the unexercised portion of share options granted;
- the unexercised portion of the amount allocated to the equity component of convertible bonds issued by the Company;
- the waiver of debts from related parties in 2013.

(f) Surplus reserve

Surplus reserve comprises statutory surplus reserve and discretionary surplus reserve.

Entities established in the Chinese Mainland are required to appropriate 10% of their net profits, as determined under the Chinese Mainland Accounting Standards for Business Enterprises (2006) and other relevant regulations issued by the Ministry of Finance of the Chinese Mainland, to the statutory surplus reserve until the balance reaches 50% of the registered capital.

Subject to the approval of equity holders of entities established in the Chinese Mainland, statutory surplus reserves may be used to offset accumulated losses, if any, and may be converted into capital, provided that the balance of statutory surplus reserve after such capitalisation is not less than 25% of the registered capital.

After making the appropriation to the statutory surplus reserve, the Group may also appropriate its net profit to the discretionary surplus reserve upon approval by shareholders. Subject to the approval of shareholders, discretionary surplus reserves may be used to make good previous years' losses, if any, and may be converted into capital.

Notes to the Consolidated Financial Statements

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28. SHARE CAPITAL AND RESERVES *(continued)*

(g) Regulatory reserve

According to the Interim Measures for the Administration of Financial Guarantee Companies (“Interim Measures”) issued on 8 March 2010 by the relevant government authorities in the Chinese Mainland, financial guarantee companies shall establish unearned premium reserve equal to 50% of guarantee premium recognised during the year, and indemnification reserve of no less than 1% of the outstanding guarantee balances undertaken by the entities established in the Chinese Mainland. If the accumulated indemnification reserve reaches 10% of the balance of guarantees issued in the current year, the difference shall be recognised to regulatory reserve. The Group has started to accrue the required amounts set by relevant government authorities less the provision of financial guarantee losses as regulatory reserve from 2011. According to the detailed implementation guidance No. 149 issued by the People’s Government of Guangdong Province on the Interim Measures, the use of the aforementioned regulatory reserve is subject to further guidance from the Financial Work Office of People’s Government of Guangdong Province.

(h) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB.

(i) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

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

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

28. SHARE CAPITAL AND RESERVES *(continued)*

(i) Capital management *(continued)*

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes bank and other borrowings, and lease liabilities but excludes convertible bonds) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity and redeemable preference shares, other than amounts recognised in equity relating to cash flow hedges, less unaccrued proposed dividends.

The Group's adjusted net debt-to-capital ratio at 31 December 2025 and 2024 was as follows:

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Current liabilities:			
Bank and other borrowings	24	63,585	57,439
Lease liabilities	26	490	420
		64,075	57,859
Non-current liabilities:			
Bank and other borrowings	24	53,236	85,760
Lease liabilities	26	12,302	12,477
		65,538	98,237
Total debt		129,613	156,096
Less: Cash and cash equivalents	10	(20,195)	(8,755)
Adjusted net debt		109,418	147,341
Total equity		258,265	237,724
Adjusted net debt-to-capital ratio		42%	62%

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29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

Exposure to credit risk, market risk and liquidity risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practice used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. Credit risk primarily arises from the possibility that a customer or counterparty in the transaction may fail to meet its obligations under outstanding guarantees issued by the Group, financial leasing service, factoring receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks, which the Group considers to be of low credit risk. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits.

The Group has entered into financial guarantee contracts in which it has guaranteed the financial institutions (including the banks) the repayment of loans entered into by customers of the Group. The Group has an obligation to compensate the financial institutions for the losses they would suffer if customers fail to repay.

The Group acts prudently in its assessments and approval of guarantee and adopts stringent credit risk assessment policy to mitigate credit risk. The credit risk assessment procedure would commence with the project manager collecting identification and relevant corporate and financial documents from the customer. The project manager conducts due diligence on the customer and prepares and provides the risk management department an initial assessment report and due diligence report. The risk management department will review the reports together with the information collected from the customer and may request further information from the customer for credit risk assessment. Members of the risk management department may verify the information collected by conducting further due diligence on the customer. Once approval from the risk management department is obtained, recommendation will be made to the guarantee assessment committee for further approval of the guarantee. Members of the guarantee assessment committee may conduct further due diligence on the customer as and when appropriate.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(a) Credit risk *(continued)*

In considering a guarantee application, the Group primarily focuses on considering the loan repayment capability and creditworthiness of a customer. The value of collaterals provided for a guarantee application is supplementary assurance. The Group's customers are first required to pass the lender's credit and risk assessments before engaging the Group's guarantee services. The Group provides guarantee services based on assessment of the customers' loan repayment capability according to the Group's analysis of their operational and financial information gathered in the due diligence process. As such, the Group did not adopt prescribed loan-to-value ratio to assess guarantee applications. The loan-to-value ratio is generally required to be below 100% for successful guarantee applications i.e. the outstanding guarantee amount is fully secured by the value of the relevant collaterals.

The Group has established guidelines on the acceptability of various classes of collateral and determined the corresponding valuation parameters. The guidelines and collateral valuation parameters are subject to regular reviews to ensure their effectiveness over credit risk management. The extent of collateral coverage over the Group's outstanding guarantees depends on the type of customers and the product offered. Types of collateral mainly include land use rights, machineries and equipment, properties and vehicles, etc. As at 31 December 2025, the carrying value of outstanding guarantees of RMB848,484,000 (2024: RMB621,711,000) is fully or partially covered by collateral.

(i) Risk concentration

When a certain number of customers undertake the same business activities, operate in the same geographical locations, or share similar economic characteristics within their industries, their ability to fulfil contracts will be affected by the same economic changes. Concentration of credit risk reflects the sensitivity of the Group's operating results to specific industries or geographical locations. As the Group mainly operates its businesses in Guangdong Province of the Chinese Mainland, there exists a certain level of geographical concentration risk for its guarantee portfolios in that it might be affected by changes in the local economic conditions.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(a) Credit risk *(continued)*

(i) Risk concentration *(continued)*

The Group had a group of customers in the construction industry sector in Foshan that were facing financial difficulties. The banks of these customers packed their debts as asset packages and sold the assets packages to two asset management companies. Instead of restructuring the purchased debts for this group of customers, these two asset management companies announced plans to dispose of the collaterals in the asset packages in April 2019 and June 2019, respectively. These customers have ceased their operation accordingly. The Shunde District People's Court accepted the bankruptcy liquidation of these customers on 1 December 2020.

In view of these circumstances, the directors have carefully considered and assessed the recoverability of the receivables due from this group of customers. Consequently, the Group has made loss allowances of RMB217,428,000 in total as at 31 December 2025 (*2024: RMB218,498,000*) (notes 12, 13 and 14 to the consolidated financial statements).

Due to the default of real estate developers, a group of customers faced severe cash flow issues in previous years. The uncertainty regarding the recoverability of the receivables from this group of customers has not yet been relieve. In view of these circumstances, the Group has made loss allowances of RMB103,854,000 in total as at 31 December 2025 (*2024: RMB104,991,000*) (notes 12, 13 and 14 to the consolidated financial statements).

Trade receivables

At the end of the reporting period, the Group had a concentration of credit risk as 17% (*2024: 19%*) and 70% (*2024: 77%*) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

Notes to the Consolidated Financial Statements

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29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(a) Credit risk *(continued)*

(i) Risk concentration *(continued)*

Guarantees issued

The maximum exposure to credit risk in respect of guarantees issued as at 31 December is as follows:

	2025		2024	
	RMB'000	%	RMB'000	%
Traditional financial services	30,000	4	36,682	6
Online financial services	670,139	79	448,731	72
Construction and installation	54,665	6	56,300	9
Wholesale and retailing	45,400	5	46,100	8
Others	48,280	6	33,898	5
Total	848,484	100	621,711	100

(ii) Measurement of ECL

The Group's trade receivables are categorised by common risk characteristics that are representative of the customers' domicile and abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises loss allowances based on lifetime ECL at the end of each reporting period.

As part of the Group's credit risk management, the Group has applied internal credit rating for its customers and established a provision matrix that is based on historical credit loss experience having considered the ageing of debtors, adjusted for forward-looking factors specific to the debtors, the economic environment and the domicile of the debtors' countries. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past periods and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There has been no significant changes in the valuation techniques and key assumptions during the reporting period.

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29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(a) Credit risk *(continued)*

(ii) **Measurement of ECL** *(continued)*

The Group's other credit risk is attributable to bank deposits and security deposits. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The bank deposits and security deposits of the Group are mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

(b) Market risk

Market risk arises when the adverse changes in market prices (interest rates, exchange rates, as well as equity prices and other prices) lead to losses from the Group's on-balance sheet and off-balance sheet businesses. The Group's market risk mainly arises from currency risk and interest rate risk.

(i) **Currency risk**

The Group's businesses are principally conducted in RMB, while most of the Group's monetary assets and liabilities are denominated in HK\$ and RMB. At the end of the reporting period, the recognised assets or liabilities are mainly denominated in the functional currency of the Group entity to which they relate. Accordingly, the directors considered the Group's exposure to foreign currency risk is not significant during the year.

On the other hand, RMB is not a freely convertible currency and the Chinese Mainland government may at its discretion restrict foreign currencies transactions in the future.

Changes in the foreign exchange control system may prevent the Group from satisfying all of its foreign currency demands and the Group may not be able to pay dividend in foreign currencies to its shareholders.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(b) Market risk *(continued)*

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from deposits with banks, factoring receivable, finance lease receivable and lease liabilities.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rate. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its cash flow risks.

Interest rate profile

The following tables detail the interest rate profile of the Group's assets and liabilities as of the end of the reporting period:

	2025 RMB'000	2024 RMB'000
<u>Fixed interest rate</u>		
Financial liabilities:		
– Bank and other borrowings	(4,626)	(500)
– Lease liabilities	(12,792)	(12,897)
	(17,418)	(13,397)

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(b) Market risk *(continued)*

(ii) Interest rate risk *(continued)*

Interest rate profile (continued)

	2025 RMB'000	2024 RMB'000
<u>Variable interest rate</u>		
Financial assets:		
– Cash and bank deposits	20,106	8,669
Financial liabilities:		
– Bank and other borrowings	(110,469)	(140,929)

Sensitivity analysis

As at 31 December 2025, 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 Group's loss after tax by approximately RMB451,000 (2024: RMB661,000).

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period. The impact on the Group's loss after taxation is estimated as an annualised impact on interest expense or income of such a change in interest rates.

The analysis is performed on the same basis as 2024.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(c) Liquidity risk

Management regularly monitors the Group's liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

	2025					
	Carrying amount RMB'000	Contractual undiscounted cash outflows RMB'000	On demand or less than one year RMB'000	Over one year but less than two years RMB'000	Over two years but less than five years RMB'000	Over five years RMB'000
Non-derivatives financial liabilities						
Lease Liabilities	12,792	22,685	1,273	1,156	3,359	16,897
Bank and other borrowings	116,821	124,565	66,792	19,399	37,567	807
Trade and other payables	33,698	33,698	33,698	-	-	-
Pledged deposits received	98,307	98,307	98,307	-	-	-
Total	261,618	279,255	200,070	20,555	40,926	17,704
Guarantees						
Financial guarantee	121,400	121,400	121,400	-	-	-
Online financial services	643,642	643,642	643,642	-	-	-
Performance guarantee	83,442	83,442	73,565	-	9,877	-
Maximum guarantees exposure	848,484	848,484	838,607	-	9,877	-

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(c) Liquidity risk *(continued)*

	2024					
	Carrying amount RMB'000	Contractual undiscounted cash outflows RMB'000	On demand or less than one year RMB'000	Over one year but less than two years RMB'000	Over two years but less than five years RMB'000	Over five years RMB'000
Non-derivatives financial liabilities						
Lease Liabilities	12,897	23,572	1,213	1,059	3,264	18,036
Bank and other borrowings	143,199	147,152	60,714	21,123	55,762	9,553
Trade and other payables	21,284	21,284	21,284	–	–	–
Pledged deposits received	103,234	103,234	103,234	–	–	–
Total	280,614	295,242	186,445	22,182	59,026	27,589
Guarantees						
Financial guarantee	125,100	125,100	100,500	24,600	–	–
Online financial services	448,731	448,731	448,731	–	–	–
Performance guarantee	47,880	47,880	20,027	27,853	–	–
Maximum guarantees exposure	621,711	621,711	569,258	52,453	–	–

(d) Fair value measurement

(i) *Assets measured at fair value*

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under HKFRS 13 “Fair Value Measurement”.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(d) Fair value measurement *(continued)*

(i) Assets measured at fair value *(continued)*

Fair value hierarchy *(continued)*

The following table presents the Group's assets and liabilities that are measured at fair value:

Level 1 valuations : Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations : Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations : Fair value measured using significant unobservable inputs.

	2025		2024	
	Fair value RMB'000	Level 3 RMB'000	Fair value RMB'000	Level 3 RMB'000
Financial assets measured at FVPL				
– Exchangeable bond	6,914	6,914	–	–
– Unlisted equity investment	1,211	1,211	1,563	1,563
	8,125	8,125	1,563	1,563
Biological assets	1,171	1,171	972	972
	9,296	9,296	2,535	2,535

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(d) Fair value measurement *(continued)*

(i) **Assets measured at fair value** *(continued)*

Fair value hierarchy (continued)

Movement in Level 3 fair value measurements

	2025		2024	
	Equity investment RMB'000	Exchangeable bond RMB'000	Equity investment RMB'000	Exchangeable bond RMB'000
As at 1 January	1,563	–	11,169	–
Addition	–	7,101	–	–
Changes in fair value recognised in profit or loss during the year	(352)	(187)	(9,606)	–
As at 31 December	1,211	6,914	1,563	–

During the year ended 31 December 2025, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period.

Information about Level 3 fair value measurement

Unlisted equity investment

The fair value of unlisted equity investment is determined by an independent professional valuer using the Adjusted Net Asset Value (ANAV) method, which mainly assesses the value of the assets and liabilities of the investee. The sales comparison approach or the depreciated replacement cost approach, as appropriate, is used in the valuation of the relevant assets of the investee.

The most significant unobservable input is the market price of the assets of the investee, which was estimated at RMB8,197 (2024: RMB8,389) per square meter with reference to recent transactions of similar assets. As at 31 December 2025, if the market price increases by 3% (2024: 5%), the estimated fair value of unlisted equity investment would have increased by RMB924,000 (2024: RMB728,000), and vice versa.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(d) Fair value measurement *(continued)*

(i) **Assets measured at fair value** *(continued)*

Information about Level 3 fair value measurement (continued)

Exchangeable bond

The fair value of exchangeable bond is determined by an independent professional valuer using a straight bond calculation method, which mainly assesses the discounted expected future cash flows and the value of the embedded right to convert the bond into equity of the unlisted investment.

(ii) **Fair values of financial assets and liabilities carried at other than fair value**

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2025 and 2024.

The following summarises the major methods and assumptions used in estimating the fair value of financial instruments.

(i) Trade and other receivables, factoring receivables and finance lease receivables

Trade and other receivables, factoring receivables and finance lease receivables are initially recognised at fair value and thereafter stated at amortised cost less allowances for impairment of doubtful debts. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the end of the reporting period.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(d) Fair value measurement *(continued)*

(ii) **Fair values of financial assets and liabilities carried at other than fair value** *(continued)*

(ii) Guarantees issued

The fair value of guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

30. COMMITMENTS

There were no outstanding capital commitments at 31 December 2025 and 2024.

31. MATERIAL RELATED PARTY TRANSACTIONS

(a) Related party transactions of the Group

Nature of transaction	2025 RMB'000	2024 RMB'000
Purchases	2,946	–
Sales	(18,250)	(586)

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

31. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Group's directors as disclosed in note 7 to the consolidated financial statements and certain of the highest paid employees as disclosed in note 8 to the consolidated financial statements, is as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and other benefits	2,564	3,495
Contributions to defined contribution retirement plan	340	325
Share based payment	1,068	613
Total	3,972	4,433

The remuneration is included in "staff costs" in note 5(b) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

32. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Assets			
Cash and bank deposits		14,126	608
Financial assets measured at fair value through profit or loss		6,914	–
Trade and other receivables		231,763	257,853
Investment in subsidiaries	15	18,213	22,881
Property, plant and equipment		304	113
Total assets		271,320	281,455
Liabilities			
Accruals and other payables		24,000	33,158
Other borrowings		–	15,280
Lease liabilities		295	107
Total liabilities		24,295	48,545
NET ASSETS		247,025	232,910
CAPITAL AND RESERVES			
Share capital	28(c)	5,138	4,421
Reserves	28(a)	241,887	228,489
TOTAL EQUITY		247,025	232,910

This statement of financial position was approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by

Zhang Tiewei
Director

Li Bin
Director

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

33. 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 consolidated financial statements, the HKICPA has issued a number of new and amended standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

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

^[1] Effective for annual periods beginning on or after 1 January 2026

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

^[3] The effective date to be determined

The Group 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 consolidated financial position.