Hong Kong Interbank Clearing Limited

31 December 2025

Contents

Directors' Report

The directors submit herewith their report together with the audited consolidated financial statements of Hong Kong Interbank Clearing Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2025.

Principal activities

The principal activities of the Company during the year were the provision of clearing services to banks in Hong Kong in respect of payment and settlement of funds in Hong Kong dollars, US dollars, Euros and Renminbi. The Company also provided fund settlement services to the Central Moneymarkets Unit of the Hong Kong Monetary Authority and clearing system development services. The principal activities of its subsidiaries are set out in note 1 to the consolidated financial statements.

Results and dividends

The Group's profit for the year ended 31 December 2025 and the Group's consolidated financial position at that date are set out in the consolidated financial statements on pages 9 to 11.

The directors do not recommend the payment of a dividend (2024: Nil) in respect of the year ended 31 December 2025.

Share capital

Details of share capital of the Company are set out in note 17 to the consolidated financial statements. There were no movements during the year.

Directors

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

Howard Tat Chi Lee	
Man Ching Chow	(resigned as alternate for Howard Tat Chi Lee and Hak Wan Pou on 17 January 2025 and appointed as director on 17 January 2025)
Hak Wan Pou	(resigned as director on 17 January 2025)
Tin Wai Hung	(appointed as alternate for Howard Tat Chi Lee and Man Ching Chow on 17 February 2025 and resigned as alternate for Howard Tat Chi Lee and Man Ching Chow on 1 January 2026)
Ling Hang Chan	(appointed as alternate for Howard Tat Chi Lee and Man Ching Chow on 1 January 2026)
David Allen Grimme	
Marina Wing Yan Tong	(alternate for David Allen Grimme)
Nelson Ning So	(alternate for David Allen Grimme)
Guiwei Xing	
Kwun Hung Yip	(alternate for Guiwei Xing)

Directors (continued)

Shing Kan Lee	(alternate for Guiwei Xing)
Lo Hei Kay	(appointed as director on 1 July 2025)
Darrell Scott Ryman	(resigned as director on 1 July 2025)
Paul King Dao Wan	(resigned as alternate for Darrell Scott Ryman on 1 July 2025 and appointed as alternate for Lo Hei Kay on 1 July 2025 and resigned as alternate for Lo Hei Kay on 1 February 2026)
Shuk Fan Hung	(resigned as alternate for Darrell Scott Ryman on 1 July 2025 and appointed as alternate for Lo Hei Kay on 1 July 2025)
Hon Shing Tong	
Kenny Pak Kin Au	(alternate for Hon Shing Tong)
Stephen Siu Yan Leung	(resigned as alternate for Hon Shing Tong on 1 July 2025)
Changyue Tian	
Zhengye Xue	(alternate for Changyue Tian)
Lai Yee Tam	(resigned as alternate for Changyue Tian on 2 December 2025)
Hugo Pak Hon Leung	
Fabien Simon	(alternate for Hugo Pak Hon Leung)
Man Tat Siu	
Siu Hong Cheng	

There being no provision in the Company's Articles of Association for retirement of directors by rotation, all existing directors continue in office for the ensuing year.

Indemnity of directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year.

Directors' interests in transactions, arrangement or contracts

Messrs Howard Tat Chi Lee, Man Ching Chow, Hak Wan Pou and Ling Hang Chan and Ms. Tin Wai Hung are or were officers of the Hong Kong Monetary Authority (the "HKMA") from which the Company received service charges, system development and operation service fees, transaction fees and Trade Repository project income amounting to HK$36,874,660 (2024: HK$38,479,688), HK$143,267,979 (2024: HK$149,466,597), HK$1,024,347 (2024: HK$820,302) and HK$92,171,443 (2024: HK$282,039,574) respectively during the year. The Company also paid a standby backup service fee of HK$8,400 (2024: HK$8,400) and housing services for computer equipment of HK$88,800 (2024: HK$88,800) to the HKMA. The Company's subsidiaries received HK$29,280 (2024: HK$43,920), HK$1,752,075 (2024: HK$1,711,164), HK$17,970,494 (2024: HK$26,106,795), HK$18,411,804 (2024: HK$18,021,496) and HK$8,587,086 (2024:HK$0) from the HKMA for data centre services, HKICL Network services, implementation and production support fee of Commercial Data Interchange ("CDI"), Multiple Central Bank Digital Currency Bridge ("mBridge") and Ensemble projects respectively during the year. As at 31 December 2025, the Company's subsidiary also received loans of HK$154,400,000 (2024: HK$154,400,000) from the HKMA.

Messrs David Allen Grimme, Nelson Ning So and Ms Marina Wing Yan Tong are directors or senior management of The Hongkong and Shanghai Banking Corporation Limited ("HSBC") from which the Company received transaction fees, system development fees, production support income and interest income amounting to HK$98,924,363 (2024: HK$87,803,394), HK$43,000 (2024: HK$771,806), HK$257,501 (2024: HK$240,713) and HK$114,686 (2024: HK$1,419,135) respectively during the year. The Company also made employer's mandatory provident fund contributions of HK$6,296,216 (2024: HK$5,858,000) to funds managed by HSBC. The Company's subsidiaries received Direct Debit Authorisation Exchange service fee income of HK$118,605 (2024: HK$125,794), HKICL Network service fee income of HK$22,320 (2024: HK$22,320), Electronic Bill Presentment System service fee income of HK$2,829 (2024: HK$2,745), FPS Merchant Payment Scheme fee income of HK$2,222,561 (2024: HK$1,730,400), Credit Reference Platform ("CRP") fee income of HK$9,546,329 (2024: HK$1,016,149) and interest income amounting to HK$194,287 (2024: HK$6,965) from HSBC during the year.

Messrs Guiwei Xing, Kwun Hung Yip and Shing Kan Lee are directors or senior management of Bank of China (Hong Kong) Limited ("BOCHK") from which the Company received transaction fees, system development fees, production support income and interest income amounting to HK$67,260,989 (2024: HK$61,051,317), HK$138,528 (2024: HK$144,113), HK$13,465,914 (2024: HK$13,889,265) and HK$5,558,716 (2024: HK$10,070,715) respectively during the year. The Company paid bank borrowing interest of HK$2,560,344 (2024: HK$3,499,047) to BOCHK during the year. The Company's subsidiaries received Direct Debit Authorisation Exchange service fee income of HK$25,192 (2024: HK$30,841), HKICL Network service fee income of HK$11,160 (2024: HK$11,160), Electronic Bill Presentment System service fee income of HK$525 (2024: HK$400), FPS Merchant Payment Scheme fee income of HK$1,752,185 (2024: HK$1,304,607), CRP fee income of HK$403,800 (2024: HK$111,709) and interest income amounting to HK$821,955 (2024: HK$1,144,385) from BOCHK during the year.

Directors' interests in transactions, arrangement or contracts (continued)

Ms Lo Hei Kay, Messrs Darrell Scott Ryman, Paul King Dao Wan and Ms Shuk Fan Hung are or were directors or senior management of Standard Chartered Bank (Hong Kong) Limited ("SCB") from which the Company received transaction fees, system development fees and interest income amounting to HK$54,930,380 (2024: HK$47,350,976), HK$43,000 (2024: HK$200,395) and HK$36,066 (2024: HK$308,795) respectively during the year. The Company's subsidiaries received Direct Debit Authorisation Exchange service fee income of HK$45,527 (2024: HK$53,573), HKICL Network service fee income of HK$11,160 (2024: HK$11,160), FPS Merchant Payment Scheme fee income of HK$718,152 (2024: HK$652,565) and CRP annual subscription fee income of HK$5,103,252 (2024: HK$564,071) from SCB during the year.

Messrs Hon Shing Tong, Kenny Pak Kin Au and Stephen Siu Yan Leung are or were directors or senior management of The Bank of East Asia, Limited ("BEA") from which the Company received transaction fees amounting to HK$7,878,587 (2024: HK$7,304,895) during the year. The Company's subsidiaries received Direct Debit Authorisation Exchange service fee income of HK$31,868 (2024: HK$31,976), HKICL Network service fee income of HK$11,160 (2024: HK$11,160), Electronic Bill Presentment System service fee income of HK$6,525 (2024: HK$25), FPS Merchant Payment Scheme fee income of HK$101,513 (2024: HK$69,687) and CRP fee income of HK$1,737,825 (2024: HK$288,401) from BEA during the year.

Messrs Changyue Tian, Zhengye Xue and Ms Lai Yee Tam are or were directors or senior management of Nanyang Commercial Bank, Limited ("NCB") from which the Company received transaction fees and interest income amounting to HK$5,374,748 (2024: HK$3,870,449) and HK$36 (2024: HK$171) respectively during the year. The Company's subsidiary received Direct Debit Authorisation Exchange service fee income of HK$895 (2024: HK$4,192), HKICL Network service fee income of HK$11,160 (2024: HK$11,160), FPS Merchant Payment Scheme fee income of HK$27,859 (2024: HK$23,029), CRP fee income of HK$11,879 (2024: HK$30,120) and CRP tiering adjustments payable of HK$Nil (2024: HK$70,000) from NCB during the year.

Messrs Hugo Pak Hon Leung and Fabien Simon are directors or senior management of BNP Paribas ("BNP") from which the Company received transaction fees amounting to HK$7,937,482 (2024: HK$7,245,313) during the year. The Company's subsidiaries received Direct Debit Authorisation Exchange service fee income of HK$85 (2024: HK$84), HKICL Network service fee income of HK$11,160 (2024: HK$11,160) and CRP fee income of HK$10,655 (2024: HK$10,017) from BNP during the year.

Save as disclosed above and the related party transactions and balances as disclosed in note 22(b) to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company, or any of the Company's subsidiaries was a party and in which a director nor a connected entity of a director of the Company had a material interest, whether directly or indirectly subsisted at the end of the year or at any time during the year.

Directors' interests

At no time during the year was the Company or any of the Company's subsidiaries a party to any arrangement to enable the directors and the chief executive of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

Management contracts

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

Auditors

Deloitte Touche Tohmatsu were first appointed as auditors of the Company in 2025 upon the retirement of KPMG.

Deloitte Touche Tohmatsu retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Lo Hei Kay
Chairperson

Hong Kong
10 March 2026

Independent Auditor's Report
To the members of Hong Kong Interbank Clearing Limited
(Incorporated in Hong Kong with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hong Kong Interbank Clearing Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 9 to 68, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("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"), 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.

Other Information

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

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

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

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 27 February 2025.

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 Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report
To the members of Hong Kong Interbank Clearing Limited (continued)

(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

The engagement partner on the audit resulting in this independent auditor's report is CHAN, Wo Mi (practising certificate number: P05133).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
10 March 2026

Consolidated statement of financial position as at 31 December 2025

(Expressed in Hong Kong dollars)

	Notes	*At 31 December 2025* HK$	*At 31 December 2024* HK$ (Restated)	*At 1 January 2024* HK$ (Restated)
Non-current assets				
Fixed assets	9	545,411,812	440,336,569	486,278,662
Intangible assets	10	114,061,199	130,621,391	165,594,154
Deferred tax assets	8	5,001,813	6,629,786	-
Prepayments, deposits and accounts receivable	12	54,716,040	14,262,327	19,096,764
		719,190,864	591,850,073	670,969,580
Current assets				
Prepayments, deposits and accounts receivable	12	156,371,616	180,431,751	171,269,010
Tax recoverable		7,903,910	-	8,457,549
Bank balances	13	910,248,976	873,842,804	902,054,101
		1,074,524,502	1,054,274,555	1,081,780,660
Current liabilities				
Other payables	14	230,318,886	236,584,571	191,250,080
Deferred income	16	4,434,332	3,730,288	3,198,717
Bank borrowings	18	6,454,998	6,159,594	5,773,822
Lease liabilities	15	7,225,706	18,453,342	15,997,533
Borrowings from the HKMA	19	10,968,123	-	9,320,217
Tax payable		-	7,098,817	-
		259,402,045	272,026,612	225,540,369
Net current assets		815,122,457	782,247,943	856,240,291
Total assets less current liabilities		1,534,313,321	1,374,098,016	1,527,209,871

Consolidated statement of financial position as at 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	Notes	*At 31 December 2025* HK$	*At 31 December 2024* HK$ (Restated)	*At 1 January 2024* HK$ (Restated)
Non-current liabilities				
Other payables	14	64,676,864	91,649,423	164,173,311
Deferred income	16	8,418,649	11,150,255	13,323,675
Bank borrowings	18	103,195,003	109,664,157	115,730,650
Lease liabilities	15	2,476,903	10,216,925	26,183,998
Debt securities issued	20	-	-	200,475,047
Borrowings from the HKMA	19	127,892,776	137,813,115	132,814,547
Deferred tax liabilities	8	28,880,400	16,370,098	18,192,579
		335,540,595	376,863,973	670,893,807
Net assets		1,198,772,726	997,234,043	856,316,064
Capital and reserves				
Equity attributable to owners of the Company				
Share capital	17	10,000	10,000	10,000
Retained earnings	17	1,198,762,726	997,224,043	856,306,064
Total equity		1,198,772,726	997,234,043	856,316,064

The consolidated financial statements on pages 9 to 68 were approved and authorised for issue by the Board of Directors on 10 March 2026 and are signed on its behalf by:

Lo Hei Kay
Director

Howard Tat Chi Lee
Director

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

(Expressed in Hong Kong dollars)

	Notes	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$ (Restated)
Revenue	3	993,555,878	1,095,384,456
Other income	4	33,891,984	45,663,873
Total income		1,027,447,862	1,141,048,329
Staff costs		(262,895,213)	(254,827,961)
Depreciation and amortisation		(127,907,956)	(127,618,666)
Premises costs		(17,420,372)	(15,811,695)
Operating expenses		(379,071,339)	(573,743,093)
Total expenses		(787,294,880)	(972,001,415)
Profit from operations		240,152,982	169,046,914
Finance costs		(4,170,105)	(8,140,061)
Profit before taxation	5	235,982,877	160,906,853
Income tax	6	(34,444,194)	(19,988,874)
Profit for the year		201,538,683	140,917,979
Other comprehensive income for the year		-	-
Total comprehensive income for the year		201,538,683	140,917,979

Consolidated statement of changes in equity for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Share capital HK$ (Note 17)	*Retained earnings* HK$	*Total* HK$
At 1 January 2024	10,000	854,559,497	854,569,497
Prior year adjustments (note 29)	-	1,746,567	1,746,567
At 1 January 2024 (Restated)	10,000	856,306,064	856,316,064
Changes in equity for the year:			
Total comprehensive income for the year (Restated)	-	140,917,979	140,917,979
At 31 December 2024 and 1 January 2025 (Restated)	10,000	997,224,043	997,234,043
Changes in equity for the year:			
Total comprehensive income for the year	-	201,538,683	201,538,683
At 31 December 2025	10,000	1,198,762,726	1,198,772,726

Consolidated statement of cash flows for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Notes	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$ (Restated)
Cash flows from operating activities			
Profit before taxation		235,982,877	160,906,853
Adjustments for:			
- Depreciation charge	5	79,006,627	79,055,214
- Amortisation charge of intangible assets	5	49,675,133	49,031,419
- Amortisation of other deferred income	5	(773,804)	(467,967)
- Amortisation of deferred income related to proceeds of borrowings from the HKMA	4	(3,197,305)	(2,777,189)
- Net gain on disposal of fixed assets		(678)	-
- Interest income	4	(26,883,740)	(41,550,377)
- Finance costs		4,170,105	8,140,061
Operating cash flows before changes in working capital		337,979,215	252,338,014
Increase in prepayments and accounts receivable		(10,032,412)	(12,231,764)
Decrease in payables		(33,221,895)	(27,171,377)
Cash generated from operations		294,724,908	212,934,873
Hong Kong profits tax paid		(35,308,646)	(12,884,775)
Net cash from operating activities		259,416,262	200,050,098
Cash flows from investing activities			
Payment for purchase of fixed assets and intangible assets		(217,828,218)	(44,123,744)
Proceeds from disposal of fixed assets		1,000	-
Receipt of amounts representing deferred income in relation to proceeds of borrowings from the HKMA		-	1,046,034
Gross inflows from bank deposits with original maturity of more than three months		8,047,179	484,748,867
Gross outflows from bank deposits with original maturity of more than three months		(557,106,814)	(18,597,526)
Interest received		20,561,974	49,435,819
Net cash (used in)/from investing activities		(746,324,879)	472,509,450

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

(Expressed in Hong Kong dollars)

	Notes	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$ (Restated)
Cash flows from financing activities			
Advance payment from the HKMA	23	1,943,547	557,273
Repayment of borrowings from the HKMA	23	-	(11,600,000)
Proceeds of borrowings from the HKMA	23	-	6,253,966
Repayment of principal of bank borrowings	23	(6,149,844)	(5,649,078)
Capital element of lease rentals paid	23	(18,392,322)	(16,559,299)
Interest element of lease rentals paid	23	(561,977)	(966,276)
Interest paid on bank borrowings	23	(2,584,250)	(3,530,690)
Interest paid on debts securities issued		-	(3,125,400)
Redemption of debt securities issued		-	(200,000,000)
Net cash used in financing activities		(25,744,846)	(234,619,504)
Net (decrease)/increase in cash and cash equivalents		(512,653,463)	437,940,044
Cash and cash equivalents at 1 January	13	723,731,730	285,791,686
Cash and cash equivalents at 31 December	13	211,078,267	723,731,730

Notes to the consolidated financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Corporate and group information

Hong Kong Interbank Clearing Limited (the "Company") and its subsidiaries (together referred to as the "Group") are engaged in providing clearing services to banks in Hong Kong in respect of payment and settlement of funds in Hong Kong dollars, US dollars, Euros and Renminbi. The Company also provides fund settlement services to the Central Moneymarkets Unit ("CMU") of the Hong Kong Monetary Authority (the "HKMA") and clearing system development services.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Unit B, 25/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

Information about subsidiaries

HKICL Services Limited ("HSL") is a wholly-owned subsidiary of the Company. HSL is engaged in the provision of Commercial Credit Reference Agency services, data centre services, CD-ROM production services, Direct Debit Authorisation Exchange services, HKICL Network services, Electronic Bill Presentment System services, Secure E-Mail Backup services and FPS Merchant Payment Scheme.

HKICL Technology Solutions Limited ("HTSL") is a wholly-owned subsidiary of the Company. HTSL is engaged in financial technologies (FinTech) to deliver projects which are not related to conventional payment services, including the development, implementation and operation of Commercial Data Interchange platform ("CDI"), HKICL cloud computing platform ("ICLCloud"), Multiple Central Bank Digital Currency Bridge ("mBridge") and hosting the Ensemble Pilot Phase on ICLCloud ("Ensemble").

Credit Reference Platform Limited ("CRPL") was established as a subsidiary wholly-owned by HTSL. CRPL is engaged in the operation of the Credit Reference Platform ("CRP") and the web-based Common Module ("CRP Common Module") under a Multiple Credit Reference Agencies Model, which aims to facilitate the exchange of encrypted consumer credit-related information between participating credit providers and selected credit reference agencies.

2 Material accounting policies

(a) Statement of compliance

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

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Hong Kong Companies Ordinance.

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

(c) Accounts receivables

Accounts receivables are recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(j)).

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

The loss allowance is measured at an amount equal to lifetime expected credit losses ("ECLs"), which are those losses that are expected to occur over the expected life of the accounts receivable. The loss allowance is 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.

2 Material accounting policies (continued)

(c) Accounts receivables (continued)

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

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

(d) Financial assets and financial liabilities

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

(ii) Classification and subsequent measurement

On initial recognition, the Group classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Group are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

(ii) Classification and subsequent measurement (continued)

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

(iii) Amortised cost measurement

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(iv) Impairment

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- 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
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

(iv) Impairment (continued)

Measurement of ECLs

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation

Presentation of allowance for ECLs in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

2 Material accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

(v) Derecognition (continued)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(e) Subsidiaries

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 gains but only to the extent that there is no evidence of impairment.

2 Material accounting policies (continued)

(e) Subsidiaries (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with resulting gain or loss being recognised in profit or loss.

Investments in subsidiaries are stated at cost less any impairment losses (see note 2(d)(iv)). Any such impairment losses are recognised as an expense in profit or loss.

(f) Fixed assets and depreciation

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(i)).

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

- Land and buildings	Over the shorter of 50 years or remaining period of lease
- Infrastructure	5 - 10 years
- Furniture and fixtures	5 years
- Computer hardware/software	3 - 5 years
- Office equipment	4 years
- Telephone systems	4 years
- Motor vehicle	5 years
- Leasehold improvements	3 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

The carrying amounts of fixed assets are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

2 Material accounting policies (continued)

(f) *Fixed assets and depreciation (continued)*

Land and buildings are measured at cost less any subsequent accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of fixed assets on a reducing balance basis over their estimated useful lives.

(g) *Intangible assets*

Intangible assets mainly comprise of purchased and developed computer software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Computer software development costs recognised as assets are stated at cost less accumulated amortisation and impairment losses (see note 2(i)), if any. Amortisation of computer software is charged to the profit or loss on a straight-line basis over the assets' estimated useful lives, which in the ordinary course of business are 3 to 5 years, commencing from the date of first usage.

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) *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.

2 Material accounting policies (continued)

(h) Leased assets (continued)

As a lessee

Where the contract contains lease components and non-lease components, the Group does not elect to combine the lease and non-lease components. The Group has taken a simplified approach to consider and allocate costs from operating lease elements. For all leases other than property leases, the Group does not separate lease and non-lease components.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability. 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 (see notes 2(f) and 2(i)).

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.

(i) Impairment of 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:

- Fixed assets, including right-of-use assets (other than property carried at revalued amounts); and

- Intangible assets

2 Material accounting policies (continued)

(i) Impairment of non-current assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for 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).

- 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).

- Reversals of impairment losses

  In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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.

(j) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(p)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for impairment in accordance with the policy set out in note 2(d)(iv) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(c)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(p)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(c)).

2 Material accounting policies (continued)

(j) Contract assets and contract liabilities (continued)

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(p)).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, including term deposits, 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. Deposits held at call with banks, and other short term highly liquid investments with original maturity of three months or less when acquired, less bank overdrafts are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(l) Borrowings

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 (see note 2(r)).

Non-interest bearing borrowings and deferred income

Non-interest bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, the 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 (see note 2(r)).

The difference between the fair value of the interest-free borrowings from the HKMA at initial recognition and the proceeds received, which is equal to the fair value of the interest forgone by the HKMA, is recorded as deferred income reflecting the fact that the proceeds received are required to be spent on costs related to the development and enhancements of the CRP. The deferred income is recognised as other income in the statement of profit or loss and other comprehensive income over the periods in which the Group recognises in the statement of profit and loss and other comprehensive income the related costs incurred for the development of multiple credit reference agencies platform that the deferred income is intended to compensate.

2 Material accounting policies (continued)

(l) Borrowings (continued)

The deferred income related to the proceeds spent on costs capitalised into depreciable assets relating to the CRP is recognised in the statement of profit or loss and other comprehensive income over the periods and in the proportions in which the depreciation expense on those capitalised assets is recognised in the statement of profit or loss and other comprehensive income. The deferred income related to the proceeds spent on specific expenses related to CRP that are not capitalised is recognised in the statement of profit and loss and other comprehensive income in the same period as the specific expenses.

(m) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans (including the Long Service Payment ("LSP") 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.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis.

The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Group's MPF contributions that have been vested with employees and would be used to offset the employee's LSP benefits, which are deemed to be contributions from the relevant employees. As the Group's LSP liability, taking into consideration of the abolition of MPF-LSP Offsetting Arrangement, is considered insignificant and no provision has been recognised as at 31 December 2025 and 2024.

(ii) 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.

(n) Income tax

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

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

2 Material accounting policies (continued)

(n) Income tax (continued)

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

(o) 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.

(p) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services.

Revenue is recognised on a gross basis when the Group is the principal for its revenue transactions. Revenue is recognised on a net basis in the amount of fee or commission received when the Group is the agent for its revenue transactions. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

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

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

2 Material accounting policies (continued)

(p) Revenue and other income (continued)

For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Transaction-based income for the provision of clearing service and Direct Debit Authorisation Exchange service are charged to financial institutions on a monthly basis. Revenue from transactions is recognised at the point in time when the transaction takes place.

Services fee income is charged on a regular basis and is based on fixed rates or amounts reviewed annually by the Group. The services fee is recognised overtime as the customer receives and uses the benefits simultaneously.

System development fees are recognised over time based on the costs incurred as the relevant assets are created or enhanced under the control of the customers, which are billed regularly as stipulated in the contracts.

Other income

Interest income is recognised as it accrues using the effective interest rate method.

Deferred income is recognised when the Group received advance payment from the HKMA for system development. The payment has been deferred on the consolidated statement of financial position and will be recognised as income over the useful life of the assets by way of a reduced depreciation charge. The Group recovers the recurrent cost of the system development through annual service charges (see note 16). Deferred income on the interest-free borrowings from the HKMA is recognised in accordance with the Group's accounting policy for non-interest bearing borrowings (see note 2(l)).

(q) Translation of foreign currencies

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 the 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.

(r) Borrowing costs

The borrowing costs are expensed in the period in which they are incurred.

2 Material accounting policies (continued)

(s) Related parties

(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.

3 Revenue

The principal activities of the Group comprise the provision of clearing services to banks in Hong Kong in respect of payment and settlement of funds in Hong Kong dollars, US dollars, Euros and Renminbi and fund settlement services to the CMU of the HKMA, and other one-off clearing systems development and implementation services and on-going operational services.

Revenue from contracts with customers

Disaggregated revenue information

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$
Transaction income		
- Clearing services	566,783,154	504,120,366
- FPS Merchant Payment Scheme	9,963,203	7,740,282
- Direct Debit Authorisation Exchange services	486,999	543,103
- Usage-based fee for CRP	47,773,802	3,112,439
- Others	207,598	194,979
Services fee income		
- Service charges income for CMU from the HKMA	36,874,660	38,479,688
- Services charges income from Fintech initiatives	48,468,611	50,389,001
- Production support services	19,856,481	20,176,713
- Commercial Credit Reference Agency services	2,153,418	2,147,952
- Data centre services	4,533,809	7,639,078
- HKICL Network services	11,419,319	10,857,446
- Secure E-mail backup services	247,553	250,555
System development fees	244,756,968	449,692,359
CD-ROM production service income	30,303	40,495
	993,555,878	1,095,384,456

4 Other income

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$ (Restated)
Interest income	26,883,740	41,550,377
Amortisation of deferred income related to proceeds of borrowings from the HKMA (note 16)	3,197,305	2,777,189
Other income	3,810,939	1,336,307
	33,891,984	45,663,873

5 Profit before taxation

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

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$ (Restated)
Auditor's remuneration		
- Audit services	622,000	533,000
- Tax services	54,000	66,000
Contributions to Mandatory Provident Fund	18,030,541	17,053,217
Depreciation charge		
- Owned property, plant and equipment	59,604,238	60,792,375
- Right-of-use assets	19,402,389	18,262,839
Foreign exchanges difference, net	(713)	217
Amortisation charge of intangible assets	49,675,133	49,031,419
Amortisation of other deferred income	(773,804)	(467,967)
Account surplus for settlement institutions ("SI")/ clearing bank ("CB")	97,635,246	91,167,947
Computer maintenance	62,134,335	51,203,382
Interest expenses on bank borrowings	2,560,344	3,499,047
Interest expenses on borrowings from the HKMA	1,047,784	1,024,385
Interest expenses on debt securities issued	-	2,650,353
Interest on lease liabilities	561,977	966,276

6 Income tax in the consolidated statement of profit or loss

(a) Current taxation in the consolidated statement of profit or loss represents:

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$
Provision for the year	20,307,475	28,209,941
(Over)/under-provision in respect of prior years	(1,556)	231,200
Deferred tax (note 8)	14,138,275	(8,452,267)
Income tax expense	34,444,194	19,988,874

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$ (Restated)
Profit before taxation	235,982,877	160,906,853
Tax at the statutory tax rate of 8.25% on first HK$2,000,000	165,000	165,000
Tax at the statutory tax rate of 16.5% (2024: 16.5%) on remainder HK$233,982,877 (2024: HK$158,906,853)	38,607,175	26,219,631
Adjustments in respect of current tax of previous periods	(1,556)	231,200
Income not subject to tax	(4,962,787)	(7,372,990)
Expenses not deductible for tax purposes	636,362	746,033
Actual tax expense	34,444,194	19,988,874

7 Directors' remuneration

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

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$
Directors' fees	429,200	411,047
Salaries, allowances and benefits in kind	-	-

8 Deferred tax liabilities

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$
Deferred tax assets	5,001,813	6,629,786
Deferred tax liabilities	(28,880,400)	(16,370,098)
	(23,878,587)	(9,740,312)

Movement of each component of deferred tax assets and liabilities:

Deferred tax is calculated in full on temporary differences under the liability method using Hong Kong profits tax rate of 16.5% (2024: 16.5%). The movement in deferred income tax assets and liabilities during the year is as follows:

	Temporary differences of deferred income		*Losses available for offsetting against future taxable profits*		*Depreciation allowances in excess of the related depreciation*		*Total*	
	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$
At 1 January	295,850	281,115	29,377,136	30,205,302	(39,413,298)	(48,678,996)	(9,740,312)	(18,192,579)
Credited/(debited) profit or loss (note 6)	193,008	14,735	(8,959,497)	(828,166)	(5,371,786)	9,265,698	(14,138,275)	8,452,267
At 31 December	488,858	295,850	20,417,639	29,377,136	(44,785,084)	(39,413,298)	(23,878,587)	(9,740,312)

At the end of the reporting period, the Group has unused tax losses of approximately HK$123.7 million (2024: HK$178.0 million) available for offset against future profits. Deferred tax assets have been recognised in respect of HK$20,417,639 (2024: HK$29,377,136) of such losses.

9 Fixed assets

(a) Reconciliation of carrying amount:

	Land HK$	*Building* HK$	*Other properties leased for own use carried at cost* HK$	*Infrastructure* HK$	*Leasehold improvements* HK$	*Furniture and fixtures* HK$	*Computer equipment* HK$	*Office equipment* HK$	*Motor vehicle* HK$	*Total* HK$
At 1 January 2024	184,972,735	115,694,715	44,768,533	3,511,387	9,713,237	1,312,937	125,674,735	630,383	-	486,278,662
Additions	-	-	3,048,035	4,066,930	-	-	25,982,084	16,072	-	33,113,121
Write-off/disposals on cost	-	-	-	(1,760,000)	-	(4,092)	(3,809,282)	(12,960)	-	(5,586,334)
Depreciation charge	(5,162,029)	(3,228,689)	(18,262,839)	(953,451)	(9,207,161)	(489,635)	(41,460,617)	(290,793)	-	(79,055,214)
Disposals/write-off on accumulated depreciation	-	-	-	1,760,000	-	4,092	3,809,282	12,960	-	5,586,334
Net book amount as at 31 December 2024	179,810,706	112,466,026	29,553,729	6,624,866	506,076	823,302	110,196,202	355,662	-	440,336,569
At 1 January 2025	179,810,706	112,466,026	29,553,729	6,624,866	506,076	823,302	110,196,202	355,662	-	440,336,569
Other adjustments	-	-	(575,336)	-	-	-	(55,750)	-	-	(631,086)
Additions (Note 1)	49,881,910	21,996,700	-	692,760	-	-	111,421,233	125,810	594,864	184,713,277
Write-off/disposals on cost	-	-	-	(580,000)	-	(8,450)	(11,141,059)	(125,300)	(458,777)	(12,313,586)
Depreciation charge	(5,162,030)	(3,228,691)	(19,402,389)	(992,923)	(490,642)	(422,293)	(49,045,685)	(252,060)	(9,914)	(79,006,627)
Disposals/write-off on accumulated depreciation	-	-	-	580,000	-	8,129	11,085,309	125,300	458,777	12,257,515
Other adjustments							55,750			55,750
Net book amount as at 31 December 2025	224,530,586	131,234,035	9,576,004	6,324,703	15,434	400,688	172,516,000	229,412	584,950	545,411,812

9 Fixed assets (continued)

	Land HK$	*Building* HK$	*Other properties leased for own use carried at cost* HK$	*Infrastructure* HK$	*Leasehold improvements* HK$	*Furniture and fixtures* HK$	*Computer equipment* HK$	*Office equipment* HK$	*Motor vehicle* HK$	*Total* HK$
As at 31 December 2024										
Cost	242,091,993	151,382,114	137,887,160	82,430,314	31,401,356	5,556,581	261,853,775	3,273,893	458,777	916,335,963
Accumulated depreciation	(62,281,287)	(38,916,088)	(108,333,431)	(75,805,448)	(30,895,280)	(4,733,279)	(151,657,573)	(2,918,231)	(458,777)	(475,999,394)
Net book amount:	179,810,706	112,466,026	29,553,729	6,624,866	506,076	823,302	110,196,202	355,662	-	440,336,569
As at 31 December 2025										
Cost	291,973,903	173,378,814	137,311,824	82,543,074	31,401,356	5,548,131	362,078,199	3,274,403	594,864	1,088,104,568
Accumulated depreciation	(67,443,317)	(42,144,779)	(127,735,820)	(76,218,371)	(31,385,922)	(5,147,443)	(189,562,199)	(3,044,991)	(9,914)	(542,692,756)
Net book amount:	224,530,586	131,234,035	9,576,004	6,324,703	15,434	400,688	172,516,000	229,412	584,950	545,411,812

Note 1:

Additions to Land and Building include new offices in MG Tower, newly acquired during the year with total cost of HK$71,878,610 for future general office use. Renovation has not yet been started in 2025, and the office is still in bare shell. The offices were not yet ready for use, hence no depreciation was recorded for 2025.

Additions to Computer Equipment in 2025 includes equipment acquired for projects to be launched in 2026 with total cost of HK$14,896,644. No depreciation was recorded for 2025 as the equipment were not yet ready for use in 2025.

9 Fixed assets (continued)

(b) Right-of-use assets

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

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Other properties leased for own use, carried at depreciated cost	9,576,004	29,553,729

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

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$
Depreciation charge of right-of-use assets by class of underlying asset:		
- Other properties leased for own use	19,402,389	18,262,839
Interest on lease liabilities	561,977	966,276

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 13(b) and 15, respectively.

9 Fixed assets (continued)

Other properties leased for own use

The Group has obtained the right to use other properties as its offices through tenancy agreements. The leases typically run for an initial period of 3 to 5 years (2024: 3 to 5 years). Lease payments are usually increased according to the terms of the tenancy agreements to reflect market rentals.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to these future lease payments is summarised below:

For the year ended 31 December 2025

	Lease liabilities recognised (discounted) HK$	*Potential future lease payments under extension options not included in lease liabilities (undiscounted)* HK$
Offices - Hong Kong	9,702,609	-

For the year ended 31 December 2024

	Lease liabilities recognised (discounted) HK$	*Potential future lease payments under extension options not included in lease liabilities (undiscounted)* HK$
Offices - Hong Kong	28,670,267	-

10 Intangible assets

	Computer software HK$
Net book amount as at 1 January 2024	165,594,154
Additions	14,058,656
Amortisation charge	(49,031,419)
Net book amount as at 31 December 2024 and 1 January 2025	130,621,391
Additions	33,114,941
Amortisation charge	(49,675,133)
Net book amount as at 31 December 2025	114,061,199
As at 31 December 2024	
Cost	407,194,839
Accumulated amortisation	(276,573,448)
Net book amount	130,621,391
As at 31 December 2025	
Cost	440,309,780
Accumulated amortisation	(326,248,581)
Net book amount	114,061,199

11 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	*Place of incorporation and business*	*Proportion of ownership interest*			*Principal activities*
		Group's effective interest	*Held by the Company*	*Held by a subsidiary*	
HKICL Services Limited	Hong Kong	100%	100%	-	Provision of Commercial Credit Reference Agency services, data centre services, CD-ROM production services, Direct Debit Authorization Exchange services, HKICL Network services, Electronic Bill Presentment System services, Secure E-mail Backup services and FPS Merchant Payment Scheme.
HKICL Technology Solutions Limited	Hong Kong	100%	100%	-	Provision of adopting financial technologies (FinTech) to deliver projects which are not related to conventional payment services, including the development, implementation and operation of CDI, ICLCloud and mBridge and hosting the Ensemble.
Credit Reference Platform Limited	Hong Kong	100%	-	100%	Provision of operating the CRP and the web-based CRP Common Module under a Multiple Credit Reference Agencies Model, which aims to facilitate the exchange of encrypted consumer credit-related information between participating credit providers and selected credit reference agencies.

11 Investments in subsidiaries (continued)

The following table lists out the information relating HSL, a subsidiary of the Group. The summarised financial information presented below represents the amounts before any inter-company elimination.

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Current assets	72,173,021	62,278,288
Non-current assets	8,029,044	8,705,014
Current liabilities	1,683,822	1,990,760
Non-current liabilities	1,752,931	2,005,279
Net assets	76,765,312	66,987,263
Revenue	31,575,386	31,375,262
Profit for the year	9,778,049	8,769,283
Total comprehensive income	9,778,049	8,769,283
Cash flows from operating activities	10,604,593	13,404,111
Cash flows (used in)/from investing activities	(38,053,783)	1,217,778

The following table lists out the information relating to HTSL, a subsidiary of the Group. The summarised financial information presented below represents the amounts before any inter-company elimination.

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Current assets	24,544,268	25,948,122
Non-current assets	61,221,087	90,972,346
Current liabilities	54,843,062	56,769,868
Non-current liabilities	29,713,879	58,941,571
Net assets	1,208,414	1,209,029
Revenue	109,737,641	106,262,572
Profit for the year	(615)	288,148
Total comprehensive income	(615)	288,148
Cash flows from operating activities	3,403,634	8,248,066
Cash flows used in investing activities	(5,573,245)	(301,818)

11 Investments in subsidiaries (continued)

The following table lists out the information relating CRPL, a subsidiary of the Group. The summarised financial information presented below represents the amounts before any inter-company elimination.

	At 31 December 2025 HK$	*At 31 December 2024* HK$ (Restated)
Current assets	88,286,684	50,229,912
Non-current assets	49,198,887	80,023,539
Current liabilities	20,725,678	11,334,932
Non-current liabilities	134,253,619	147,703,324
Net liabilities	(17,493,726)	(28,784,805)
Revenue	62,134,466	21,787,439
Profit/(loss) for the year	11,291,079	(23,909,917)
Total comprehensive income/(expense)	11,291,079	(23,909,917)
Cash flows from/(used in) operating activities	36,917,780	(3,939,031)
Cash flows used in investing activities	(60,559,837)	(2,646,245)
Cash flows used in from financing activities	-	(5,346,034)

12 Prepayments, deposits and accounts receivable

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Within one year		
Amounts due from related parties	99,182,582	109,561,784
Computer hardware and software development projects in progress (note)	3,454,052	21,280,058
Prepayments	37,977,864	37,245,155
Other receivables	15,757,118	12,344,754
	156,371,616	180,431,751
More than one year		
Prepayments	3,954,703	8,355,478
Deposits	50,761,337	5,906,849
	54,716,040	14,262,327

Note: This represents computer hardware and software development costs incurred in progress which would be capitalised as fixed assets and intangible assets in the future reporting periods.

All receivables are neither past due nor impaired as at the end of the reporting period.

13 Bank balances

(a) Bank balances comprise:

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Cash at bank and on hand	39,403,685	89,975,709
Time deposits:		
- with original maturity of less than three months	171,674,582	633,756,021
Total cash and cash equivalents in the consolidated statement of cash flows	211,078,267	723,731,730
Time deposits:		
- with original maturity of more than three months	699,170,709	150,111,074
Bank balances	910,248,976	873,842,804

Cash at bank earns interest at floating rates based on daily bank deposit rates. Time deposits earn interest at the respective time deposit rates. All time deposits are non-pledged.

(b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$
Within financing cash flows	18,954,299	17,525,575
	18,954,299	17,525,575

14 Other payables

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Within one year		
Amounts due to related parties	76,303,698	74,032,316
Accruals	91,320,636	68,601,872
Contract liabilities	52,243,597	88,111,588
Other creditors	10,450,955	5,838,795
	230,318,886	236,584,571
More than one year		
Contract liabilities	55,588,273	82,560,832
Reinstatement provision	9,088,591	9,088,591
	64,676,864	91,649,423

Details of contract liabilities are as follows:

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Current		
Services fee income	2,755,788	5,594,429
System development fee	49,487,809	82,517,159
	52,243,597	88,111,588

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Non-current		
Services fee income	2,482,933	1,215,924
System development fee	53,105,340	81,344,908
	55,588,273	82,560,832

14 Other payables (continued)

Contract liabilities include advances received to deliver related services. Movements in contract liabilities are as follows:

	Year ended 31 December 2025 HK$	Year ended 31 December 2024 HK$
Balance at 1 January	170,672,420	215,822,505
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(88,111,588)	(60,737,785)
Increase in contract liabilities as a result of receiving services fee and system development fee	25,271,038	15,587,700
Balance at 31 December	107,831,870	170,672,420

The amount of contract liabilities expected to be recognised as income after more than one year is HK$55,588,273 (2024: HK$82,560,832).

15 Lease liabilities

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	At 31 December 2025		At 31 December 2024	
	Present value of the minimum lease payments HK$	Total minimum lease payments HK$	Present value of the minimum lease payments HK$	Total minimum lease payments HK$
Within 1 year	7,225,706	7,425,519	18,453,342	19,030,680
After 1 year but within 2 years	2,476,903	2,512,292	7,514,422	7,731,044
After 2 years but within 5 years	-	-	2,702,503	2,741,436
After 5 years	-	-	-	-
	2,476,903	2,512,292	10,216,925	10,472,480
	9,702,609		28,670,267	
Less: total future interest expenses		235,202		832,893
Present value of lease liabilities		9,702,609		28,670,267

The Company renewed the existing lease agreement for office use in 2024. The lease liability relating to this new lease has been aggregated with the brought forward balances relating to the leases which are classified as operating leases.

16 Deferred income

Since 2009, there have been advance payments from the HKMA in respect of the one-off system development costs of the SWIFTNet-based eCMT and internet-based iCMT front-end systems ("New CMT Systems"). The payments are deferred on the consolidated statement of financial position and are recognised as income over the useful life of the assets purchased for the New CMT Systems by way of a reduced depreciation charge. The Group will recover the recurrent cost of the New CMT Systems from the HKMA.

Since 2021, CRPL, a subsidiary of the Group, received interest-free borrowings from the HKMA who provides funding support to the development and implementation of the CRP and CRP Common Module in Hong Kong (note 19). The difference between the fair value of the interest-free borrowings from the HKMA at initial recognition and the proceeds received, which is equal to the fair value of the interest foregone by the HKMA, is recorded as deferred income reflecting the fact that the proceeds received are required to be spent on costs related to the development and enhancements of the CRP.

The deferred income related to the proceeds spent on costs capitalised into depreciable assets is recognised in the statement of profit or loss and other comprehensive income over the periods and in the proportions in which the depreciation expense on those capitalised assets is recognised in the statement of profit or loss and other comprehensive income. The deferred income related to the proceeds spent on specific expenses that are not capitalised is recognised in the statement of profit and loss and other comprehensive income in the same period as the specific expenses.

	At 31 December 2025 HK$	*At 31 December 2024* HK$ (Restated)
Deferred income from SWIFTNet - current portion	904,966	532,983
Deferred income from SWIFTNet - non-current portion	2,057,806	1,260,046
	2,962,772	1,793,029
Amortisation of deferred income related to proceeds of borrowings from the HKMA - current portion	3,529,366	3,197,305
Amortisation of deferred income related to proceeds of borrowings from the HKMA - non-current portion	6,360,843	9,890,209
	9,890,209	13,087,514

17 Capital and reserves

	Share capital HK$	*Retained earnings* HK$	*Total* HK$
At 1 January 2024	10,000	854,559,497	854,569,497
Prior year adjustments (note 29)	-	1,746,567	1,746,567
At 1 January 2024 (Restated)	10,000	856,306,064	856,316,064
Total comprehensive income for the year *(Restated)*	-	140,917,979	140,917,979
At 31 December 2024 *(Restated)*	10,000	997,224,043	997,234,043
At 1 January 2025 *(Restated)*	10,000	997,224,043	997,234,043
Total comprehensive income for the year	-	201,538,683	201,538,683
At 31 December 2025	10,000	1,198,762,726	1,198,772,726

Details of share capital is as follow:

	2025		*2024*	
	No. of shares	*Amount* HK$	*No. of shares*	*Amount* HK$
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	10,000	10,000	10,000	10,000

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have par value.

The holders of ordinary shares are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18 Bank borrowings

At 31 December 2025, the Group's bank borrowings were repayable as follows:

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Within 1 year	6,454,998	6,159,594
Between 1 and 2 years	6,493,085	6,189,967
Between 2 and 5 years	20,331,503	19,527,921
Over 5 years	76,370,415	83,946,269
	103,195,003	109,664,157
	109,650,001	115,823,751

Bank borrowings were secured by the land and buildings of the Group (see note 9).

Bank borrowings with notional amount of HK$74,062,240 bear interest at Hong Kong dollar prime rate minus 2.85% per annum or Hong Kong Interbank Offered Rate ("HIBOR") plus 1.10% per annum, whichever is lower and are repayable by 285 monthly equal instalments commencing on 14 May 2018.

Bank borrowings with notional amount of HK$90,000,000 bear interest at Hong Kong dollar prime rate minus 2.85% per annum or HIBOR plus 1.10% per annum, whichever is lower and are repayable by 257 monthly equal instalments commencing on 19 April 2018.

19 Borrowings from the HKMA

At 31 December 2025, the Group's borrowings from the HKMA were repayable as follows:

	At 31 December 2025		*At 31 December 2024*	
	Notional amount HK$	*Carrying amount* HK$	*Notional amount* HK$	*Carrying amount* HK$ (Restated)
Within 1 year	13,050,000	10,968,123	-	-
Between 1 and 2 years	13,050,000	11,197,937	13,050,000	10,968,123
Between 2 and 5 years	39,150,000	116,694,839	39,150,000	126,844,992
Over 5 years	89,150,000	-	102,200,000	-
	141,350,000	127,892,776	154,400,000	137,813,115
	154,400,000	138,860,899	154,400,000	137,813,115

The fair value of the interest-free borrowings from the HKMA at initial recognition was calculated as the present value of future repayment cash flows, discounted at a market interest rate. Management estimated the cash flows based on the repayment schedule agreed with the HKMA. A 5-year period is used reflecting the HKMA's discretion under the terms of the facility to amend the repayment arrangements, such that the expiry of the revised repayment period shall in any event be a date falling at least 5 years after the date of the relevant written notice from the HKMA to CRPL; accordingly, management has used this 5-year horizon as the basis for projecting the timing of principal repayments. The discount rate applied was the yield on 5-year Hong Kong government bonds at the date of initial recognition of the borrowings.

The borrowing from the HKMA with total notional amount of HK$104,400,000 (2024: HK$104,400,000) bears no interest and is payable by instalments within 10 years commencing in 2024. While the first instalment of HK$11,600,000 was repaid in 2024, an adjustment to the repayment schedule was agreed with the HKMA in 2024 that the instalment of HK$11,600,000 in 2025 would be evenly distributed to the eight remaining instalments in 2026 to 2032 (HK$13,050,000 each).

The borrowing from the HKMA with notional amount of HK$22,100,000 (2024: HK$22,100,000) bears no interest and is payable by instalments within 2 years commencing in 2033.

The borrowing from the HKMA with notional amount of HK$27,900,000 (2024: HK$27,900,000) bears no interest and is payable by instalments within 2 years commencing in 2035.

The borrowings are to provide funding support to the development and implementation of the CRP and CRP Common Module in Hong Kong.

As at 31 December 2025, the borrowings from the HKMA with fair value of HK$139,191,434 (2024: HK$133,209,761).

20 Debt securities issued

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Debt securities carried at amortised cost	-	-

The Group issued HK$200,000,000 1.55% step-up coupon bonds due on 21 December 2025 (the "2025 Bonds") on 21 December 2020.

On 23 December 2024, the Group exercised an early redemption option and redeemed the entire 2025 Bonds.

21 Capital commitments

Capital commitments outstanding not provided for in the consolidated financial statements were as follows:

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Contracted for	18,519,727	15,499,348

22 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions.

(a) Key management personnel remuneration

Remuneration for key management personnel is as follows:

	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$
Employee benefits	22,116,631	22,931,322
	22,116,631	22,931,322

Total remuneration is included in "staff costs" in the consolidated statement of profit or loss and other comprehensive income.

22 Material related party transactions (continued)

(b) Transactions with related parties

During the year, the Group entered into transactions with related parties in the ordinary course of business in providing clearing services to banks in Hong Kong, provision of fund settlement services to the CMU of the HKMA and clearing system development services. The transactions were priced according to the tariff in place during the year. This tariff is subject to periodic review and approval by the directors of the Company. In addition, the Group also maintained bank accounts at certain member banks of the Hong Kong Association of Banks (the "HKAB").

The HKAB is one of the two shareholders of the Company and certain designated directors and/or senior management of the continuing member banks and certain elected members of the Committee and/or Consultative Council of the HKAB also sit on the boards of the Company and its subsidiaries. The HKAB is able to exercise significant influence over the Group's activities.

The HKMA is another shareholder of the Company and designated officers of the HKMA also sit on the boards of the Company and its subsidiaries. The HKMA is also able to exercise significant influence over the Group's activities.

HSL and HTSL are wholly-owned subsidiaries of the Company.

HSL is engaged in the provision of Commercial Credit Reference Agency services, data centre services, CD-ROM production services, Direct Debit Authorization Exchange services, HKICL Network services, Electronic Bill Presentment System services, Secure E-Mail Backup services and FPS Merchant Payment Scheme.

HTSL is engaged in delivering projects which are not related to conventional payment services, by leveraging financial technologies (Fintech), including the development, implementation and operation of Commercial Data Interchange platform ("CDI"), HKICL cloud computing platform ("ICLCloud"), Multiple Central Bank Digital Currency Bridge ("mBridge") and hosting the Ensemble Pilot Phase on ICLCloud ("Ensemble").

CRPL is a wholly-owned subsidiary of HTSL. CRPL is engaged in the development, implementation and operation of the Credit Reference Platform ("CRP") and the web-based Common Module ("CRP Common Module") under a Multiple Credit Reference Agencies Model, which aims to facilitate the exchange of encrypted consumer credit-related information between participating credit providers and selected credit reference agencies.

HSL, HTSL and CRPL maintained bank accounts with some of the member banks of the HKAB.

22 Material related party transactions (continued)

(b) Transactions with related parties (continued)

The amounts of related party transactions during the year and outstanding balances at the end of the year are set out below:

	Member banks of the HKAB		*HKAB*		*HKMA*	
	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$
Income recognised during the year:						
Transaction income generated from clearing services	505,148,405	450,530,116	-	-	1,024,347	820,302
Service charges receivable from the HKMA in respect of CMU	-	-	-	-	36,874,660	38,479,688
System development services	224,528	1,140,151	-	-	143,267,979	149,466,597
Clearing House admission fee	110,376	55,188	-	-	-	-
Data centre services	3,842,160	3,601,012	662,369	627,838	29,280	43,920
CD-ROM production services	30,303	40,495	-	-	-	-
Direct Debit Authorisation Exchange services	486,999	543,103	-	-	-	-
HKICL Network services	1,545,689	1,563,330	-	-	1,752,075	1,711,164
Electronic Bill Presentment System services	15,813	5,557	-	-	-	-
Secure E-mail Backup services	222,480	222,480	-	-	-	-
FPS Merchant Payment Scheme	6,957,240	5,581,482	-	-	-	-
Onboarding fee for CRP	235,000	-				
Annual subscription fee for CRP	3,015,700	2,590,000	-	-	-	-
Tiering adjustment on onboarding fee and annual subscription fee for CRP	(127,980)	775,000	-	-	-	-
Usage-based fee for CRP	35,540,816	2,175,540	-	-	-	-
Fee income from CDI	-	-	-	-	17,970,494	26,106,795
Fee income from mBridge	-	-	-	-	18,411,804	18,021,496
Fee income from Ensemble	-	-	-	-	8,587,086	-
Bank interest income	26,880,194	41,545,630	-	-	-	-
Income on Trade Repository project	-	-	-	-	92,171,443	282,039,574
Production support service	17,051,354	17,187,976	-	-	1,653,071	1,586,922
Other operating income	758,078	705,682	-	-	-	-
Amortisation of deferred income related to proceeds of borrowings from the HKMA (Restated)	-	-	-	-	3,197,305	2,777,189
	601,937,155	528,262,742	662,369	627,838	324,939,544	521,053,647

22 Material related party transactions (continued)

(b) Transactions with related parties (continued)

	Member banks of the HKAB		*HKMA*	
	Year ended 31 December 2025 HK$	*Year ended 31 December 2024* HK$	*Year ended 31 December 2025* HK$	*Year ended 31 December 2024* HK$
Expenses incurred during the year:				
Mandatory provident fund contributions	6,296,216	5,858,000	-	-
Housing loan interest	-	1,020	-	-
Housing services for computer equipments	-	-	88,800	88,800
Standby backup service fee	-	-	8,400	8,400
Account surplus for SI/CB	97,635,246	91,167,947	-	-
Interest expenses on borrowings from the HKMA (Restated)	-	-	1,047,784	1,024,385
Interest expenses on bank borrowings	2,560,344	3,499,047	-	-
Interest expenses on debt securities issued	-	2,650,353	-	-
	106,491,806	103,176,367	1,144,984	1,121,585

Except for data centre services, CD-ROM production services, Direct Debit Authorisation Exchange services, HKICL Network services, Electronic Bill Presentment System services, Secure E-mail Backup services, FPS Merchant Payment Scheme, FinTech initiatives such as CRP, CDI, mBridge and Ensemble and HK$2,770,368 (2024: HK$2,998,062) included in bank interest income, which are provided by its subsidiaries, all the above transactions are entered into by the Company.

In addition, the Company received a management fee of HK$1,946,698 (2024: HK$1,904,011) and a service fee of HK$67,346,177 (2024: HK$67,206,633) from its subsidiaries for the services provided during the year.

22 Material related party transactions (continued)

(b) Transactions with related parties (continued)

Balances with related parties:

	Member banks of the HKAB		*HKAB*		*HKMA*	
	At 31 December 2025	*At 31 December 2024*	*At 31 December 2025*	*At 31 December 2024*	*At 31 December 2025*	*At 31 December 2024*
	HK$	HK$	HK$	HK$	HK$	HK$ (Restated)
Net amounts due from/(due to) the member banks of the HKAB, the HKAB and the HKMA	(5,812,948)	(18,018,892)	71,800	444,699	28,349,829	52,216,513
Contract liabilities	(267,484)	(574,714)	(55,438)	(52,548)	(96,001,309)	(166,631,598)
Balances in bank accounts	910,242,976	873,836,804	-	-	-	-
Receipt of advance payment recognised as deferred income	-	-	-	-	(2,962,772)	(1,793,029)
Bank borrowings	(109,650,001)	(115,823,751)	-	-	-	-
Borrowings from the HKMA	-	-	-	-	(138,860,899)	(137,813,115)

Included in the balances in bank accounts is HK$135,926,329 (2024: HK$92,231,352) which represents the bank balance of the subsidiaries maintained at member banks of the HKAB.

23 Notes to the consolidated statement of cash flows

	Bank borrowings HK$	*Lease liabilities* HK$	*Debt securities issued* HK$	*Advance payment from the HKMA* HK$	*Borrowings from the HKMA* HK$ (Restated)
At 1 January 2024	121,504,472	42,181,531	200,475,047	1,703,723	142,134,764
Lease modification	-	3,048,035	-	-	-
Changes from financing cash flows:					
- Interest paid	(3,530,690)	-	(3,125,400)	-	-
- Repayment of principal of bank borrowings	(5,649,078)	-	-	-	-
- Capital element of lease rentals paid	-	(16,559,299)	-	-	-
- Interest element of lease rentals paid	-	(966,276)	-	-	-
- Redemption of debt securities issued	-	-	(200,000,000)	-	-
- Advance payment from the HKMA	-	-	-	557,273	-
- Repayment of borrowings from the HKMA	-	-	-	-	(11,600,000)
- Proceeds of borrowings from the HKMA	-	-	-	-	6,253,966
Interest expense	3,499,047	966,276	2,650,353	-	-
Amortisation of deferred income	-	-	-	(467,967)	-
Remeasurement	-	-	-	-	1,024,385
At 31 December 2024 and 1 January 2025	115,823,751	28,670,267	-	1,793,029	137,813,115
Lease modification	-	(575,336)	-	-	-
Changes from financing cash flows:					
- Interest paid	(2,584,250)	-	-	-	-
- Repayment of principal of bank borrowings	(6,149,844)	-	-	-	-
- Capital element of lease rentals paid	-	(18,392,322)	-	-	-
- Interest element of lease rentals paid	-	(561,977)	-	-	-
- Redemption of debt securities issued	-	-	-	-	-
- Advance payment from the HKMA	-	-	-	1,943,547	-
- Repayment of borrowings from the HKMA	-	-	-	-	-
- Proceeds of borrowings from the HKMA	-	-	-	-	-
Interest expense	2,560,344	561,977		-	-
Amortisation of other deferred income	-	-	-	(773,804)	-
Remeasurement	-	-	-	-	1,047,784
At 31 December 2025	109,650,001	9,702,609	-	2,962,772	138,860,899

24 Financial risk management

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk was primarily attributable to accounts receivable and bank balances. As the receivables and bank balances were largely due from authorised institutions and government bodies in Hong Kong, the exposure to credit risk was not considered significant.

The Group's financial assets including deposits, accounts receivable and bank balances are subject to the expected credit loss model within HKFRS 9. At 31 December 2025, the total amount of these financial assets was HK$ 1,025,182,676 (2024: HK$ 995,743,341), on which no loss allowance had been provided. 98.5% (2024: 98.8%) of total accounts receivable and bank balances were amounts due from the member banks of the HKAB, the HKAB and the HKMA. No assets are considered impaired and no amounts have been written off in the period.

All accounts receivable are expected to be received in three months or less. An amount is considered to be in default if it has not been received 90 days after it is due.

The credit risk for debtors is limited, as the counterparties are major financial institutions, all of which are governed by regulators and have a strong capacity to meet their obligations in the near term. Therefore, the probability of default of the counterparties is considered to be minimal based on historical settlement pattern, and no impairment loss was provided. As at end of the reporting period, the maximum exposure of credit risk in relation to financial assets of the Group is HK$1,025,182,676 (2024: HK$995,743,341).

(b) Liquidity risk

The Group's policy is to monitor regularly current and expected liquidity requirements and to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

24 Financial risk management (continued)

(b) Liquidity risk (continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months HK$	*Between 3 months and 1 year* HK$	*Between 1 and 2 years* HK$	*Between 2 and 5 years* HK$	*Over 5 years* HK$	*Total contracted undiscounted cash flow years* HK$	*Carrying amount at reporting date* HK$
At 31 December 2025							
Other payables	75,244,313	102,830,976	-	9,088,591	-	187,163,880	187,163,880
Bank borrowings	2,161,984	6,485,951	8,647,935	25,943,804	84,919,788	128,159,462	109,650,001
Borrowings from the HKMA	-	13,050,000	13,050,000	39,150,000	89,150,000	154,400,000	138,860,899
Lease liabilities	4,553,227	2,872,292	2,512,292	-	-	9,937,811	9,702,609
	81,959,524	125,239,219	24,210,227	74,182,395	174,069,788	479,661,153	445,377,389

	Less than 3 months HK$	*Between 3 months and 1 year* HK$	*Between 1 and 2 years* HK$	*Between 2 and 5 years* HK$	*Over 5 years* HK$	*Total contracted undiscounted cash flow years* HK$	*Carrying amount at reporting date* HK$ (Restated)
At 31 December 2024							
Other payables	47,977,592	100,495,391	-	9,088,591	-	157,561,574	157,561,574
Bank borrowings	2,221,887	6,665,660	8,887,547	26,662,640	96,184,428	`140,622,162	115,823,751
Borrowings from the HKMA	-	-	13,050,000	39,150,000	102,200,000	154,400,000	137,813,115
Lease liabilities	4,757,670	14,273,010	7,731,044	2,741,436	-	29,503,160	28,670,267
	54,957,149	121,434,061	29,668,591	77,642,667	198,384,428	482,086,896	439,868,707

(c) 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 does not consider that there is significant fair value interest rate risk in relation to bank deposits which are carried at amortised costs. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with a floating interest rate and cash at bank which bear interest at market rates. Cash at bank balances are excluded from sensitivity analysis as these are subject to minimal interest rate fluctuation.

24 Financial risk management (continued)

(c) Interest rate risk (continued)

At 31 December 2025, interest rate risk is estimated with a general increase or decrease of 100 basis points in interest rates (2024: 100 basis points), with all other variables held constant. The management estimate that it would decrease the Group's profit after taxation by approximately HK$915,000 (2024: HK$966,000). On the other hand, a general decrease of 100 basis points in interest rates (2024: 100 basis points), with all other variables held constant, would increase the Group's profit after taxation by approximately HK$915,000 (2024: HK$966,000).

The above estimated 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting period.

(d) Foreign currency risk

Foreign currency risk refer to the risk that movements in foreign currency exchange rates will affect the Group's financial result and its cash flows.

The Group is exposed to foreign currency risks through certain transactions that are denominated in United States dollars ("US$"). Since the Hong Kong dollar ("HK$") is pegged to the US$, the Group's exposure to foreign currency risk in respect of the balances denominated in US$ is considered to be minimal.

(e) Fair values

Other than disclosed in note 19, the fair value of financial assets and liabilities is considered not to be materially different from their carrying values in the consolidated statement of financial position.

25 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 clearing and settlement services to users by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as including all components of equity with no fixed terms of repayment and on this basis contains share capital and retained earnings.

Any amounts considered surplus will be retained to meet operational needs or finance new projects. The Group is not subject to externally imposed capital requirements.

26 Company-level statement of financial position

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Non-current assets		
Fixed assets	520,894,970	407,976,779
Intangible assets	43,569,748	28,164,592
Investments in subsidiaries	10,001	10,001
Prepayments, deposits and accounts receivable	72,419,259	45,001,312
	636,893,978	481,152,684
Current assets		
Prepayments, deposits and accounts receivable	139,631,610	165,239,033
Amounts due from subsidiaries	10,749,552	14,384,008
Tax recoverable	7,563,526	-
Bank deposits	774,322,647	781,611,452
	932,267,335	961,234,493

26 Company-level statement of financial position (continued)

	At 31 December 2025 HK$	At 31 December 2024 HK$
Current liabilities		
Other payables	212,230,619	215,401,794
Deferred income	904,966	532,983
Bank borrowings	6,454,998	6,159,594
Lease liabilities	7,225,706	18,453,342
Tax payable	-	6,799,598
	226,816,289	247,347,311
Net current assets	705,451,046	713,887,182
Total assets less current liabilities	1,342,345,024	1,195,039,866
Non-current liabilities		
Other payables	62,216,018	90,704,913
Deferred income	2,057,806	1,260,046
Bank borrowings	103,195,003	109,664,157
Lease liabilities	2,476,903	10,216,925
Debt securities issued	-	-
Deferred tax liabilities	27,537,654	15,195,356
	197,483,384	227,041,397
Net assets	1,144,861,640	967,998,469

26 Company-level statement of financial position (continued)

	At 31 December 2025 HK$	*At 31 December 2024* HK$
Capital and reserves		
Share capital and reserves attributable to owners of the Company		
Share capital	10,000	10,000
Retained earnings (note)	1,144,851,640	967,988,469
Total equity	1,144,861,640	967,998,469

Approved and authorised for issue by the board of directors on 10 March 2026.

Lo Hei Kay
Director

Howard Tat Chi Lee
Director

Note:

A summary of the Company's reserves is as follows:

	Retained earnings HK$
At 1 January 2024	815,456,880
Total comprehensive income for the year	152,531,589
At 31 December 2024 and 1 January 2025	967,988,469
Total comprehensive income for the year	176,863,171
At 31 December 2025	1,144,851,640

27 Ultimate controlling parties

At 31 December 2025, the directors consider the ultimate controlling parties of the Group to be the HKMA and the HKAB, which are incorporated in Hong Kong.

28 Application of new and amendments to HKFRS Accounting Standards

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

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKFRS 19	Amendments to Subsidiaries without Public Accountability[2]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.

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

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

28 Application of new and amendments to HKFRS Accounting Standards (continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (continued)

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 Financial Instruments: Disclosures in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS Accounting Standards Annual Improvements to HKFRS Accounting Standards - Volume 11

The annual improvements make amendments to the following HKFRS Accounting Standards.

HKFRS 7 Financial Instruments: Disclosures - Gain or loss on derecognition

The amendments remove an obsolete cross-reference in HKFRS 7.B38 to a paragraph that had been deleted when HKFRS 13 Fair Value Measurement was issued and align the wording of this paragraph with the terms used in HKFRS 13.

Guidance on implementing HKFRS 7 - Disclosure of deferred difference between fair value and transaction Price

The amendments update HKFRS 7.IG14 to make the wording of that paragraph consistent with HKFRS 7.28 and improve the internal consistency of the wording in the example in HKFRS 7.IG14.

28 Application of new and amendments to HKFRS Accounting Standards (continued)

Amendments to HKFRS Accounting Standards Annual Improvements to HKFRS Accounting Standards - Volume 11 (continued)

Guidance on implementing HKFRS 7 - Introduction and credit risk disclosures

The amendments add a statement to HKFRS 7.IG1 clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7. The amendments also simplify the explanation of the aspects of the requirements that are not illustrated in HKFRS 7.IG20B.

HKFRS 9 Financial Instruments - Derecognition of lease liabilities

The amendments add a cross-reference to HKFRS 9.3.3.3 in HKFRS 9.2.1(b)(ii) to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply HKFRS 9.3.3.3 and therefore recognise any resulting gain or loss in profit or loss.

HKFRS 9 Financial Instruments - Transaction price

The amendments replace "their transaction price (as defined in HKFRS 15)" in HKFRS 9.5.1.3 with "the amount determined by applying HKFRS 15" to address inconsistency between HKFRS 9.5.1.3 and the requirements of HKFRS 15 which may require a receivable to be measured at an amount that differs from the amount of the transaction price recognised as revenue. Additionally, the reference to "transaction price" (as defined in HKFRS 15) is deleted from Appendix A of HKFRS 9.

HKAS 7 Statement of Cash Flows - Cost method

The amendment replaces the term 'cost method' with "at cost" in HKAS 7.37 in line with the removal of the definition of "cost method" from the HKFRS Accounting Standards. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to HKFRS 9.2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

The application of the amendments is not expected to have an impact on the financial position and performance of the Group.

28 Application of new and amendments to HKFRS Accounting Standards (continued)

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

29 Prior year adjustments

In preparing the consolidated financial statements of the Group for the year ended 31 December 2025, the difference between the fair value of the interest-free borrowings from the HKMA and the proceeds received which had not been recognised at initial recognition in prior years has been adjusted.

As a result, prior year adjustments have been made to recognise deferred income and the associated other income and interest expenses in the prior years. The affected line items in the consolidated statements of financial positions and the statements of profit or loss and other comprehensive income are summarised below.

	As previously reported HK$	*Prior year adjustments* HK$	*As restated* HK$
Consolidated statement of financial position (extract) At 31 December 2024			
Current liabilities			
Deferred income	532,983	3,197,305	3,730,288
Non-current liabilities			
Borrowings from the HKMA	154,400,000	(16,586,885)	137,813,115
Deferred income	1,260,046	9,890,209	11,150,255
Net assets	**993,734,672**	**3,499,371**	**997,234,043**
Retained earnings	993,724,672	3,499,371	997,224,043
Total equity	**993,734,672**	**3,499,371**	**997,234,043**

29 Prior year adjustments (continued)

	As previously reported HK$	*Prior year adjustments* HK$	*As restated* HK$
Consolidated statement of financial position (extract) At 1 January 2024			
Current liabilities			
Borrowings from the HKMA	11,600,000	(2,279,783)	9,320,217
Deferred income	421,528	2,777,189	3,198,717
Non-current liabilities			
Borrowings from the HKMA	147,100,000	(14,285,453)	132,814,547
Deferred income	1,282,195	12,041,480	13,323,675
Net assets	**854,569,497**	**1,746,567**	**856,316,064**
Retained earnings	854,559,497	1,746,567	856,306,064
Total equity	**854,569,497**	**1,746,567**	**856,316,064**

	As previously reported HK$	*Prior year adjustments* HK$	*As restated* HK$
Consolidated statement of profit or loss and other comprehensive income (extract) For the year ended 31 December 2024			
Other income	42,886,684	2,777,189	45,663,873
Finance costs	(7,115,676)	(1,024,385)	(8,140,061)
Total comprehensive income for the year	**139,165,175**	**1,752,804**	**140,917,979**

30 Comparative figures

Certain comparative figures have been reclassified in the consolidated financial statements to conform with the current year's presentation. These reclassifications are individually immaterial with no effect on previously reported total comprehensive income for the year and retained earnings.