信達國際控股有限公司
CINDA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code: 111

ANNUAL REPORT 2024

15 years+
商界展關懷
caringcompany
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

Contents

Glossary

In this report, unless the context otherwise requires, the following expressions have the following meanings:

"AGM"	the annual general meeting of the Company to be held at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong on 2 May 2025 (Friday) at 11:00 a.m. or any adjournment or postponement thereof
"Audit Committee"	the audit committee of the Company
"BDO"	BDO Limited
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company (as may be amended from time to time)
"CG Code"	the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
"CG Report"	the Corporate Governance Report of the Company dated 31 December 2024
"China" or "PRC"	the People's Republic of China, which, for the purpose of this report, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"China Cinda"	China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1359)
"China Cinda Group"	China Cinda and its associates
"Cinda Securities"	Cinda Securities Co., Ltd., a company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601059), a 78.67% non-wholly-owned subsidiary of China Cinda and an indirect controlling shareholder of the Company
"Cinda Securities (H.K.)"	Cinda Securities (H.K.) Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Cinda Securities and a direct controlling shareholder of the Company
"Company"	Cinda International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 111)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"ED(s)"	the executive Director(s) of the Company
"ESG Reporting Code"	the Environmental, Social and Governance Reporting Code as contained in Appendix C2 to the Listing Rules

Glossary

"ESG Report"	the Environmental, Social and Governance Report of the Group
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"INED(s)"	the independent non-executive Director(s) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"NED(s)"	the non-executive Director(s) of the Company
"Nomination Committee"	the nomination committee of the Company
"PDPO"	the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) as amended from time to time
"Remuneration Committee"	the remuneration committee of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
"Share(s)"	ordinary share(s) with par value of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

Corporate Information

Registered office	Clarendon House 2 Church Street Hamilton, HM 11 Bermuda
Head office and principal place of business	45th Floor, COSCO Tower 183 Queen's Road Central Hong Kong
Directors	*NED* Zhang Yi *EDs* Zhang Xunyuan Yan Qizhong *INEDs* Zheng Minggao Hu Lielei Zhao Guangming
Authorised representatives	Zhang Xunyuan Li Hiu Ling
Company secretary	Li Hiu Ling
Bermuda principal share registrar and transfer agent	Appleby Global Corporate Services (Bermuda) Limited Canon's Court, 22 Victoria Street PO Box HM 1179, Hamilton HM EX Bermuda
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F., Far East Finance Centre 16 Harcourt Road Hong Kong
Auditor	BDO Limited *Certified Public Accountants* *Registered Public Interest Entity Auditor* 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Website	http://www.cinda.com.hk

Management Discussion and Analysis

MARKET CONDITIONS

2024 remains a year of volatility and uncertainty. On the political front, with the Russia-Ukraine conflict reaching an intense phase and the conflicts along the Middle East showing no signs of subsiding; these conflicts have stricken the global supply chains, causing a sluggish recovery progress in economic activities and striking inflation. The president of the United States (the "U.S."), Donald Trump, claimed that he would significantly increase tariffs on China after winning the 2024 U.S. presidential election, and would negotiate with relevant countries on issues such as the Panama Canal and Greenland. These moves have filled geopolitics with uncertainties. On the economic front, economies of different countries have shown varying degrees of recovery in the post-COVID era. Some countries have been continuously increasing interest rates to curb inflation; others, such as Japan, still maintain low interest rates. After several interest rate cuts by the Federal Reserve of the U.S. (the "Fed"), the U.S. economy continued to grow, with core inflation remaining resilient. The core personal consumption expenditure (the "PCE") index re-accelerated in the second half of the year, with its year-on-year growth rate increasing from 2.7% in July to 2.8% in November. The U.S. job market remains generally solid, with non-farm employment increasing by 256,000 in December, higher than market expectations.

The market is focused on the policies from the newly-elected U.S. president Donald Trump, which are expected to reignite inflation and narrow the room for interest rate cuts. The U.S. dollar index surged by 7.7% in the fourth quarter and rose by 7.1% for the whole year. At the end of December, the yield on the 10-year treasury bond closed at 4.5690%, while the yield on the 2-year treasury bond closed at 4.2416%. The interest spread within the quarter widened to 33 basis points compared to the third quarter. Corporate results and forward guidance exceeded market expectations, driving the three major U.S. stock indices up by 0.5% to 6.2% in the fourth quarter and rose by 12.9% to 28.6% for the whole year.

In Europe, the core consumer price index (the "CPI") in the eurozone remained largely on a downward trend in 2024. The European Central Bank cut interest rates by 0.25% in December as expected, reducing the main refinancing rate to 3.15% and lowering the deposit instruments rate to 3%, which was the fourth interest rate cut in 2024. In December, the European Central Bank forecasted an average inflation rate of 2.4% in 2024 and projected economic growth of 0.7% in 2024, both of which were 0.1% lower than the forecasts made in September. The eurozone economy showed improvement, with gross domestic product (the "GDP") growing by 0.9% year-on-year in the third quarter, representing an acceleration in growth from 0.4% and 0.5% in the first two quarters. Due to political instability in Europe and a decline in the economic sentiment of leading countries such as Germany and France, the euro against the U.S. dollar fell by 7.0% in the fourth quarter and 6.2% for the whole year.

In China, domestic demand is weak, and downward pressure on the economy is increasing. The meeting of the People's Bank of China has indicated that it will implement a moderately loose monetary policy, comprehensively use various monetary policy tools, and timely conduct reduction of reserve requirement ratio and interest rate. This is aimed at guiding banks to fully meet effective credit demand and enhance the stability of credit growth. The yield on the 10-year treasury bond in China closed at 1.675% in the fourth quarter, falling by 54 basis points quarter-on-quarter and 89 basis points for the whole year. The U.S. has slowed down the pace of interest rate cuts, and the inversion in the interest spread between China and the U.S. widened to 289 basis points quarter-on-quarter by the end of December, compared to 157 basis points in the third quarter. The U.S. dollar appreciated, and with the interest spread expanding further, RMB was under pressure in the fourth quarter. The onshore RMB ("CNY") and offshore RMB ("CNH") fell by 3.9% and 4.5% respectively, and fell by 2.7% and 2.9% for the whole year. The Shanghai Stock Exchange Composite Index experienced range-bound fluctuations, closing at 3,351 points in the fourth quarter, per IR representing a slight increase of 0.5%, and increase of 12.7% for the year.

Management Discussion and Analysis

In Hong Kong, the economy has been affected by the external environment, leading to a slowdown in economic growth. During the year, despite a further increase in service exports and continued growth in overall investment expenditure, these were not enough to offset the slowdown in goods exports and the continuous decline in private consumption expenditure. The real GDP grew by 2.4% year-on-year in the fourth quarter, better than growth rate of 1.9% in the third quarter, but significantly slower than growth rates of 2.8% and 3.2% in the first two quarters. For the year combined, the real GDP grew by 2.5% year-on-year. After seasonal adjustment, the real GDP grew by 0.8% quarter-on-quarter in the fourth quarter. Local consumption remained weak, with retail sales in Hong Kong falling by 7.3% year-on-year for the year, maintaining the same decline as that in the previous month. Taking into account the actual figures of 2024 and the short-term outlook, the Hong Kong government has revised downward its forecast for the real GDP growth for the whole year of 2024 to 2.5% from the range of 2.5% to 3.5% in the review conducted in August.

The Hong Kong stock market experienced significant volatility in 2024, gradually recovering from its low in January, which was the lowest since October 2022. This recovery was mainly driven by successive interest cuts by the Fed and other major global central banks, coupled with a series of measures introduced by China at the end of the third quarter to stabilize the economy, which helped to restore market confidence. The Hang Seng Index closed at 20,059 points in the fourth quarter, down 5.1%, but still up 17.7% for the whole year. The Hang Seng China Enterprises Index closed at 7,289 points, down 2.9%, but still up 26.4% for the whole year. The Hang Seng TECH Index closed at 4,468 points, down 6%, but still up 18.7% for the whole year. Trading activities in the Hong Kong stock market rebounded, with an average daily turnover of HK$142.0 billion in December, representing a year-on-year increase of 44%. The average daily turnover for 2024 was HK$131.8 billion, representing a year-on-year increase of 26%. The northbound capital continued to flow into the market, with a net inflow of HK$807.9 billion in 2024, representing a year-on-year increase of 1.5 times.

In the Hong Kong's initial public offering ("IPO") market, the U.S. entered a cycle of interest cuts and China signaled steady growth, which positively impacted market sentiment. Larger IPO fundraisings appeared in the third quarter, with the total fundraising amount reaching HK$87.5 billion in 2024, representing a year-on-year increase of 89%. Throughout the year, there were 71 new listed companies, slightly lower than 73 new listed companies in 2023.

In the Chinese-funded offshore bond market, the total issuance volume of the Chinese-funded offshore bond for the year of 2024 reached approximately US$228.2 billion, representing a year-on-year increase of over 29%. Excluding the portion related to the restructuring of the real estate sector, the actual issuance volume of the Chinese-funded offshore bond in 2024 was US$222.4 billion. With the Fed entering the interest cut cycle, coupled with the continuous introduction of policies to stabilize the real estate industry and some high-risk real estate enterprises making progress in restructuring, the Chinese offshore U.S. dollar bonds rebounded, among which, Markit iBoxx Asian Chinese U.S. Dollar Bond Index rose by 6.7% for the whole year. The Markit iBoxx Asian Chinese U.S. Dollar High-yield Bond Index rose by 16.8% for the whole year, and the Markit iBoxx Asian Chinese U.S. Dollar Real Estate High-yield Bond Index rose by 38.3% for the whole year.

Management Discussion and Analysis

OVERALL PERFORMANCE

In 2024, the Group adhered to the previous operation strategy and as the fully licensed securities institutions established outside China within the system of China Cinda. As the hub connecting to international capital markets and overseas asset management centre of the China Cinda Group ecosphere, the Group provides cross-border investment banking services around the world with China concept as its focus. During the year, the Group developed four core business segments (i.e. asset management, corporate finance, sales and trading business and fixed income investment). The asset management business slightly increased by 1% in the scale of management, maintaining the similar level in revenue as last year; as for the corporate finance, there was a significant improvement in the debt issuance business, resulting in a year-on-year increase in revenue, while the revenue from sales and trading business decreased slightly by 3% compared to last year; revenue from fixed income investment increased as compared with last year, mainly due to a 167% increase in the average size of bond investment as compared with the same period last year; and the share of results of associates decreased by 15% compared to last year. Accordingly, as for the overall profit, the Group recorded a profit after tax of HK$10.34 million, representing an increase of 181% as compared with the loss after tax of HK$12.85 million for the last year. The total revenue in 2024 amounted to HK$171.90 million (2023: HK$136.39 million), representing an increase of 26% as compared with the same period last year, among which, the turnover was HK$191.88 million (2023: HK$141.22 million), representing an increase of 36% as compared with last year. Other income amounted to HK$5.95 million (2023: HK$12.07 million), representing a decrease of 51% as compared with the same period last year. Other net loss amounted to HK$25.93 million (2023: net loss of HK$16.90 million), representing an increase in loss of 53% as compared with the same period last year, mainly due to the reclassification of exchange gains and losses on the disposal of two PRC subsidiaries to profit and loss account. As for expenses, the Group endeavored to control cost, cutting staff costs by 10% year-on-year, coupled with the voluntary reduction in other operating expenses, operating expenses (excluding commission expenses, finance costs and impairment provision) amounted to HK$105.99 million (2023: HK$115.87 million), representing a decrease of 9% as compared with last year, while the finance costs increased by 16% as compared with the same period last year, mainly due to a 55% year-on-year increase in average borrowing amounts.

The Group recorded a share of profits from associates for the year ended 31 December 2024 amounted to HK$20.70 million (2023: HK$24.35 million), representing a decrease of 15% as compared with last year, mainly due to the decrease in the results of an associate engaging in fund management and private equity investment as compared with last year, however, it was partly offset by a year-on-year increase in the results of another associate engaging in fund management and the absolute return fund it manages. As a result, the Group's profit before tax for the whole year amounted to HK$31.02 million (2023: loss of HK$0.17 million), and the profit after tax attributable to equity holders amounted to HK$10.34 million (2023: loss of HK$12.85 million).

ASSET MANAGEMENT

In 2024, the asset management segment of the Group continued to operate under light-asset strategy. As the overseas asset management arm of China Cinda ecosphere connected with the international capital markets, the Group proactively developed its business revolving around the main business of China Cinda Group, concentrated its efforts to the development of troubled asset business, and actively explored cross-border non-performing assets innovative business by strengthening marketised asset management business operations. During the year, this segment continued to explore and develop the withdrawing of special asset management projects and some domestic troubled asset funds, and established a public open-ended money fund in the fourth quarter. Despite the scale of asset management increased by 1% to HK$51.8 billion from last year, given the expiration of the service periods of partial existing asset management projects in the second half of last year or during the year and the decrease in rate of new projects under the fierce competition in the market, the fund management fee income was HK$42.22 million for the year, representing a year-on-year decrease of 10%; while three new projects that generated advisory fee were completed during the year and recorded a revenue of HK$9.00 million. As a result, the operating revenue of this segment for the year was HK$57.05 million (2023: HK$57.03 million), maintaining the same level as last year. Profit of this segment for the year increased by 35% to HK$21.43 million (2023: HK$15.92 million) under tight cost control.

Management Discussion and Analysis

The Group cooperated with associates actively to expand diversified businesses. The results of an associate engaging in private equity investment was negatively affected by market volatility, resulting in a year-on-year decline, which was partially offset by a year-on-year increase in the results of another associate engaging in fund management and the absolute return funds it manages. As a result, the Group's share of profits from associates for the year amounted to HK$20.70 million (2023: HK$24.35 million).

CORPORATE FINANCE

The corporate finance business continued to serve clients with equity and debt issuance. During the year, the equity issuance business of this segment did not see any significant improvement in Hong Kong IPO market conditions, but was able to add two IPO sponsors to its project reserve, and only several underwriting and financial advisory and compliance advisory projects were completed. With respect to the debt issuance business, benefiting from the improved sentiment in the Chinese-funded offshore bond market, this segment was able to take advantage of the surge in the Chinese-funded offshore bond market during the year, completed 28 overseas issuance projects, and recorded underwriting fee income of HK$42.75 million for the year, representing an increase of 388% from HK$8.76 million for last year. As a result, the operating revenue of this segment for the year was HK$48.12 million, representing an increase of 150% from HK$19.23 million for the same period last year, and the profits recorded by this segment for the year amounted to HK$26.45 million (2023: loss of HK$4.55 million).

SALES AND TRADING BUSINESS

In the second half of the year, Hong Kong's securities market improved with an increase in trading and investment volume, but most brokerages were still experiencing difficulties in operation. According to the data from the Stock Exchange, 39 brokerages ceased operations in 2024. As of 31 December, the Hang Seng Index closed at 20,059 points, a cumulative rise of 3,011 points or 17.67% from 17,047 points closed at the end of 2023. The average daily turnover was HK$131.8 billion, upped 26% from the same period last year; the operating revenue of this segment decreased by 3% to HK$47.97 million from HK$49.35 million for last year, of which the Group recorded a commission of HK$23.21 million (2023: HK$22.36 million) and interest from securities financing and other income of HK$24.76 million (2023: HK$26.99 million). In view of the lack of significant improvement in the Hong Kong securities market, this segment took certain impairment provisions on a margin loan in the second half of the year on a prudent basis, which increased the segment's loss to HK$20.89 million (2023: loss of HK$7.38 million).

FIXED INCOME INVESTMENT

The fixed income investment business, a new reporting segment established during the year which previously reported under the asset management segment, has been reorganised to form a new single reportable segment, mainly focuses on complementing bond underwriting business and investing in Chinese-funded offshore bonds, with hold-to-maturity as the key investment strategy. During the year, this segment seized investment opportunities in Chinese-funded offshore bonds, and under strict risk control, the average bond position for the year was US$62.45 million, representing an increase of 167% as compared with last year. As a result, the revenue of this segment for the year was HK$38.74 million, representing an increase of 158% from HK$15.04 million for last year, and this segment recorded a profit of HK$16.57 million (2023: HK$1.65 million) for the year.

Management Discussion and Analysis

LOOKING FORWARD

Looking forward to 2025, the policy direction and the trend of interest rate of the new U.S. government will continue to affect the global financial market. The economy of the U.S. is expected to maintain growth, with core inflation remaining resilient, together with the uncertain policy direction of U.S. President Donald Trump, the officials of the Fed adopts a cautious attitude towards the uncertainty of future inflation, slowing the pace of interest rate cuts. In December 2024, the Fed cut interest rates by 25 basis points as expected, lowering the target range for the federal funds rate to between 4.25% and 4.50%. The dot plot of December showed that the officials of the Fed had raised their interest rate expectations for 2025 to 2026, forecasting only two interest rate cuts in 2025, amounting to a total reduction of 50 basis points, with a median prediction of 3.9%, which is higher than 3.4% in September. The authority expects that the inflation will be more persistent in 2025 than previously anticipated, with inflation projected to reach 2% in 2027, achieving the target a year later than earlier expectations. Powell, the president of the Fed stated that the current situation is near or has reached the timing for slowing down or pausing interest rate cuts, and future rate reductions shall depend on new progress in inflation. The Group believes that it is necessary to monitor how Donald Trump fulfills his campaign promises, paying attention to the sequence and pace of policy implementation. Among which, tightening immigration policies, cutting tax, imposing tariffs on imported goods and other policies are likely to reignite inflation, narrowing the space for further interest rate cuts. It is expected that the U.S. dollar will remain strong in 2025, with bond yields hovering at high levels, thereby suppressing the overall performance of risk assets.

The economy of eurozone had shown some signs of improvement, but the recovery remained fragile, the manufacturing Purchasing Managers' Index (the "PMI") continued to shrink. Should the new U.S. government implement tariffs on all imported goods, the export activities in Europe will be adversely affected, thereby increasing the downside risks to the economy. At the same time, the inflation in the zone declines, with core CPI falling to a level quite close to the policy target of 2%, there is a great demand for rate cuts to stabilise the economy. Christine Lagarde, the President of the European Central Bank ("ECB"), believes that the ECB does not need to keep policy rates at a level that contains the economy, instead, it should set the rates at a level that promotes economic growth. The market expects the ECB to cut rates successively in 2025. Additionally, following the presidential election of France, although the far-right party has been successfully prevented from taking office, the hung parliament is expected to affect the efficiency of governance, leading to an uncertain political outlook, which may drag down the development of asset market in eurozone.

In China, following the introduction of a series of policies in late September 2024, the economy experienced a moderate recovery at the beginning of the fourth quarter, provided that the momentum subsequently weakened again, together with the absence of further implementation of significant policies, leading to a contraction in investors' risk appetite. Looking ahead to 2025, given the lack of effective demands, weak social expectations and a multitude of potential risks, China's economic recovery will continue to face challenges. The Group expects that fiscal and monetary policies are still required to support the steady growth of the economy in China. If China introduces policies beyond expectation in 2025, foreign investors regain confidence in the market of China, and capital flows back into the market, it will invigorate the trading and investment activities of A shares.

In Hong Kong, the pace of economic recovery was slower than expected due to the impact of the external environment. In the third quarter of 2024, Hong Kong recorded a year-on-year real GDP growth of 1.8%, which was significantly lower than 2.8% and 3.2% in the first two quarters. When aggregating the figures for the first three quarters, the real GDP experienced a year-on-year growth of 2.6%. After seasonal adjustment and comparing on a quarterly basis, the real GDP fell by 1.1% in the third quarter. Taking into account the actual figures of the first three quarters and the latest development of global and local situation, the Hong Kong government had revised its full-year real GDP growth forecast of 2024 downward from the previously reviewed range of 2.5% to 3.5% in August to 2.5%. S&P Global announced that the seasonally-adjusted PMI for Hong Kong in December was 51.1, representing a month-on-month decline of 0.1. The sub-indices for output, new orders, employment, and purchasing inventory all declined, with the decrease in new orders from overseas and the PRC, the overall growth of orders had slowed to a lowest level in recent three months, therefore, enterprises continued to be pessimistic about the business outlook, and the business environment remained weak. According to the comprehensive forecast from Bloomberg, the market expects that Hong Kong will record a full-year economic growth of 2.2% in 2025, slower than the growth of 2.5% predicted in 2024.

Management Discussion and Analysis

The downside risks faced by the Hong Kong stock market in 2025 continue to include rising geopolitical risks, Sino-U.S. rivalries, a prolonged high-interest-rate environment and further tightening of U.S. dollar liquidity, which may lead to capital withdrawal from Hong Kong. In addition, the lack of endogenous momentum in China's economic activities has decelerated the progress of enterprises in earnings improvement, and the pressure on the capital chain in the real estate market in China has not been fully relieved, which will continue to suppress investors' risk appetite, waiting for a catalyst to reverse the market sentiment. Economically, driven by more frequent interconnection between China and Hong Kong, as well as the deepening integration of the "Guangdong-Hong Kong-Macao Greater Bay Area" initiatives, Hong Kong continues to serve as a bridgehead for foreign investment into China, and Hong Kong's offshore RMB business will benefit in the long run. At the same time, the continued deepening integration of China and Hong Kong stock and bond markets is conducive to steadily promoting the opening up of China's financial markets, and on the other hand, it is also conducive to consolidating the position of Hong Kong as an international financial center.

The Group will continue to strengthen the business synergy with Cinda Securities, and put more efforts in joint planning for integration of domestic and overseas financial services, and in fulfilling its role as a platform for Cinda Securities's offshore business. We will focus on the Cross-boundary Wealth Management Connect business, and jointly develop business plans with Cinda Securities for the investment banking businesses including overseas issuance of bonds by domestic institutions, IPO of domestic companies in Hong Kong and overseas major assets restructuring of domestic institutions, the cross-border brokerage business for the full circulation of H shares, the creation of cross-border asset management products, and the establishment of a mechanism in which research departments of the two institutions to share their research resources to expand the cross-border integrated investment banking services.

Meanwhile, the Group will continue to focus on the main business of China Cinda Group and serve as fully licensed outside border securities institutions of the China Cinda ecosphere. The Group will continue to promote the development of each core business segment. On the one hand, we will further boost the development of our synergistic businesses, continue to optimise the internal management and enhance our asset capacity, while continuing to maintain sound and compliant operation. On the other hand, we will deepen the cooperation with Cinda Securities and China Cinda ecosphere in a bid to achieve win-win results. In respect of the asset management, the continuous expansion of market-oriented asset management business is the direction for the future transformation and development of the Group. At the same time, it will explore high-quality customer resources outside the system, especially strengthen its cooperation and linkage with central enterprises, state-owned enterprises and other financial enterprises. Starting from asset management, financing and investment businesses, it will explore more opportunities in asset management or other related corporate businesses. In respect of the sales and trading business, we will strive to increase our business volume and market share, expand domestic and overseas institutional, corporate and high-net-worth clients in a prudent and risk-averse manner; the Group's securities company will develop towards the direction of wealth management, diversify our products, focus on the development of "Guangdong-Hong Kong-Macao Greater Bay Area", and proactively accelerate the implementation of the southbound business of Cross-boundary Wealth Management Connect so as to meet the client's need in asset allocation. As for the corporate finance business, we will maintain the parallel development of equity and debt businesses. For the equity-related business, we will proactively provide sponsor and underwriting services and expand the merger and acquisition business by leveraging the resources of the Group. As for the debt-related business, the Group will continuously grasp the underwriting and investment opportunities of Chinese-funded offshore bonds, identify the needs of different types of clients for bond issuance and provide tailor-made issuance plans and services and catch issuing windows to serve the clients, so as to achieve the "equity-debt" integration. The fixed income investment business will continually serve as a supplement to the debt-related corporate finance business to seize the opportunities in investment of overseas bonds. In addition, the Group believes that the local market sentiment will remain positive in 2025. The Group will strengthen the synergy and expand its market-oriented businesses through various initiatives by virtue of the solid foundations the Group has established. The Group's financial position remains sound, it is well-positioned to respond to the current difficult environment, and expects to capitalise on various market opportunities in 2025 to strengthen the full year results of the Group and bring long-term returns to the Shareholders.

Management Discussion and Analysis

FINANCIAL RESOURCES

The Group maintained sound financial strength during the year, and all subsidiaries licensed by the SFC had liquid capital in excess of regulatory requirements. As of 31 December 2024, the Group had revolving loans and overdrafts facilities of HK$1,480 million from banks, of which a total of HK$660 million were utilised. In addition, as of 31 December 2024, the Group did not issue any bonds during the year.

FLUCTUATION IN FOREIGN EXCHANGE RATES

A majority of assets and liabilities of the Group are denominated in Hong Kong dollars and U.S. dollars to which Hong Kong dollars is pegged with. During the year, the monetary policies of China and the U.S. were in opposition, the interest rate differential between RMB and U.S. dollars widened, putting pressure on RMB against U.S. dollars in the short term. However, with the slowdown in interest rate hikes by the Fed, the implementation of stimulus policy for the domestic economy and the surplus remaining stable, the Group considered that the decline in exchange rate of RMB would be temporary and hedging was not cost-effective, therefore, there is no hedging against fluctuation in the exchange rate of RMB.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year, the Group has disposed 50% equity interest of each of 信達領先（深圳）股權投資基金管理有限公司 (Cinda Lingxian (Shenzhen) Equity Investment Fund Management Limited*) and 信達國際（上海）投資諮詢有限公司 (Cinda International (Shanghai) Investment Consultant Limited*), both were then direct wholly-owned subsidiaries of the Company, details of which are set out in Note 35 to the consolidated financial statements.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year.

REMUNERATION AND HUMAN RESOURCES

As at 31 December 2024, the Group had a total number of 78 full-time employees in Hong Kong office, of which 39 were male and 39 were female. The total remuneration costs of the Group for the year ended 31 December 2024 are set out in Note 6 to the consolidated financial statements.

The Group has always valued the nurturing of capable personnel and has taken various measures to recruit and retain personnel of high calibre, which ensures sufficient support for steady operations amidst business development. The Company established objective performance indicators as part of the employees' performance appraisal. To encourage employees to deliver better performance and strengthen risk management and control, the Group sets annual performance and work targets for each business department and middle and back-end supporting department at the beginning of each year and regular staff assessments are carried out so as to provide a basis for bonus. Besides, the Group also gives due weight to staff trainings and provides the employees with educational allowances and leave, such as leave for professional examinations. The Group also organised professional training courses and lectures for the staff and account executives from time to time in furtherance of their comprehension of the updated knowledge pertinent to their work, certain of which were conducted through electronic video means. The Group has established a staff remuneration committee comprising the top management, which consists of two EDs and two senior executives, including the head of human resources & administration department, to conduct regular reviews over the remuneration policy of the Group and determine the remuneration package of each staff member, thereby ensuring that such pay and benefits are market-based.

* *English names of the entities are transliteration of their Chinese names for reference only and shall not be regarded as their formal names.*

Biographical Details of Directors and Senior Management

NED

Mr. Zhang Yi, aged 46, is the chairman ("Chairman") of the Board, a NED and the chairman of the Nomination Committee. He has been appointed as a Director since 31 March 2020. He initially acted as a NED and subsequently re-designated to an ED and appointed as the chief executive officer ("Chief Executive Officer") of the Company on 26 April 2021, re-designated to the Chairman and appointed as the chairman of the Nomination Committee on 13 March 2023, and re-designated to a NED on 28 August 2024. He is currently a deputy general manager, the chief financial officer and the board secretary of Cinda Securities, the chairman and a director of Cinda Securities (H.K.) and a director of Cinda Futures Co., Limited* (a wholly-owned subsidiary of Cinda Securities). He was appointed as the chairman of Cinda Futures Co., Limited on 7 September 2024 and ceased as the general manager of financial markets department of Cinda Securities on 24 September 2024.

He graduated from Tsinghua University with a Bachelor degree in International Accounting Management in July 2001. He had worked for China International Capital Corporation Limited, Sinodata Co., Ltd., and Shanghai Baichuan Jinzhi Intelligent Technology Co., Ltd.*. He has joined Cinda Securities since September 2019, being the general manager of planning and funding department from September 2019 to August 2020; the general manager of each of the planning and funding department and the financial accounting department from August 2020 to November 2020; and the general manager of finance planning department from November 2020 to March 2023. He was a director of Xin Feng Investment Management Co., Limited*, a wholly-owned subsidiary of Cinda Securities, from December 2019 to March 2023, and also an executive director and general manager of Cinda Innovation Investment Co., Ltd., a wholly-owned subsidiary of Cinda Securities, from August 2022 to February 2023.

ED(s)

Mr. Zhang Xunyuan, aged 43, is an ED and the Chief Executive Officer. He was appointed as an ED, the Chief Executive Officer and a director of certain subsidiaries of the Company on 13 March 2023. He is currently a director of Cinda Securities (H.K.).

He graduated from Beijing Institute of Technology with a Bachelor degree in Engineering in June 2004, he received his Master degree in Economics from Southwestern University of Finance and Economics, China in March 2009, and received his Doctorate degree in Economics from the same university in June 2013 respectively. He has extensive practical experience in the securities industry. He had worked for Zhongshan Securities Co., Ltd*, Guangzhou GZHS Market Research Company Limited* (formerly known as Guangzhou GZHS Securities Investment Consulting Limited* and Guangzhou GZHS Securities Research Institute Limited*) and its controlling shareholder Guangzhou Securities Company Limited* (renamed as CITIC Securities South China Company Limited after being acquired by CITIC Securities Company Limited in 2020). He joined Cinda Securities since December 2019 and successively served as the general manager of the innovative financing department (formerly known as division IV of the investment banking) and the general manager of the securities brokerage division of Cinda Securities.

Biographical Details of Directors and Senior Management

Ms. Yan Qizhong, aged 55, was appointed as an ED and the chief financial officer of the Company since 2 March 2024.

Ms. Yan received her Master degree in Accounting from the University of Finance and Economics in Hunan of the PRC in June 1997, and received a Doctorate degree in Accounting from the Business School of Renmin University of China in January 2012 subsequently. Ms. Yan was a lecturer in accounting at Beijing University of Chemical Technology of the PRC, and she is also a senior economist.

Ms. Yan has over 30 years of extensive experience in accounting, auditing and asset management. She has served in several financial institutions and asset management companies, including China Great Wall Asset Management Corporation*, CITIC Financial Holding Company* and Beijing Rural Commercial Bank in the PRC. She also served as the deputy branch manager of The Bank of East Asia (Beijing Branch), overseeing the financial accounting department and the financial markets department from March 2009 to December 2014. Additionally, she took the position of the deputy branch manager and was a member of the Party Committee of the Bank of Hengfeng (Beijing Branch)* from December 2014 to January 2021, primarily responsible for the financial accounting department, operations management department, and credit approval department. Ms. Yan was the principal expert of Cinda Fund Management Company Limited ("Cinda Fund", formerly known as 信達澳銀基金管理有限公司, a non-wholly owned subsidiary of Cinda Securities) from February 2021 to March 2024.

INED(s)

Mr. Zheng Minggao, aged 52, was appointed as an INED since 1 December 2022, being a member of the Audit Committee and the chairman of the Remuneration Committee. He has extensive experience in corporate finance and management. Mr. Zheng was appointed as the chairman of the board of Beijing Qichen Holdings Group Limited since 24 June 2022. Mr. Zheng had worked as operation manager, head of audit and assistant chief executive officer, etc., in LG Electronics (China) Co., Ltd*, Sinochem Group Co., Ltd.* and Peking University Founder Group Co., Ltd.* respectively. Also, he had worked for China Hi-tech Group Co., Ltd.. Mr. Zheng obtained a Doctoral degree in Industrial Economics granted by Beijing Jiaotong University in 2010 and a Post-doctoral certificate in Applied Economics granted by Renmin University of China in 2012. He is a Certified Internal Auditor, and possesses senior management qualification certificate in securities industry and insurance industry.

Ms. Hu Lielei, aged 49, was appointed as an INED since 27 July 2024, being the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. She is currently the director and president of SG Investment America and ICON Aircraft; a director and the legal representative of LSS LEASING (Shanghai) Co., Ltd.. Ms. Hu is also an independent director of Orient International Enterprise, Ltd. (the shares of which are listed on the Shanghai Stock Exchange, stock code: 600278). Ms. Hu graduated from Shanghai University of Finance and Economics majoring in accounting, with a Bachelor's Degree in Management in July 2009. She then graduated from Fudan University with a Master's Degree in Business Administration in June 2011. In March 2018, she graduated from The University of Chicago with a Master's Degree in Business Administration. Ms. Hu has extensive practical experience in business management, especially in financial management. Ms. Hu served as the head of finance of the Universal Music (China) Representative Office* from November 2005 to July 2007; she successively served as the head of the financial management department, the assistant president and chief financial officer, and the vice president and chief financial officer of Shenyang Brilliance JinBei Automobile Co., Ltd.* from July 2007 to February 2012; she served as the vice president and chief financial officer of Liaoning Shenhua Holdings Co., Ltd. (formerly known as Shanghai Shenhua Holdings Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange, stock code: 600653) from February 2012 to May 2017; she served as an independent director of Zhangjiakou Yuanshi Advanced Materials Co., Ltd. from November 2021 to November 2024. She is a member of the Association of Chartered Certified Accountants, a fellow member of the Association of International Certified Professional Accountants, a member of the Chartered Institute of Management Accountants, a member of CPA Australia, a senior accountant of the Shanghai Municipal Human Resources and Social Security Bureau, and a member of the Leaders in the Accounting Profession (全國會計領軍人才) programme under the Ministry of Finance of the PRC.

Biographical Details of Directors and Senior Management

Mr. Zhao Guangming, aged 49, was appointed as an INED since 27 July 2024, being a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He is currently a director and a partner of Edeal Cloud Technology Pte. Ltd.. He graduated from Renmin University of China with a Doctorate Degree in Economics in June 2008, and completed his post-doctoral research in Applied Economics at the post-doctoral workstation of China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Corporation, the shares of which are listed on the Stock Exchange, stock code: 2799) and Peking University in November 2011. Mr. Zhao has extensive practical experience in economics and financial research. Mr. Zhao served as the chief executive officer of Beijing Founder Fubon Financing Asset Management Co., Ltd.* from August 2015 to February 2017; he served as the executive director and chief executive officer of AnAn International Limited (the shares of which are listed on the Singapore Stock Exchange, stock code: Y35, and together with its subsidiaries, collectively referred to as "AnAn Group") from March 2017 and resigned as executive director and chief executive officer in September 2018 and October 2018, respectively; during such period, Mr. Zhao was delegated by AnAn Group to act as a non-executive director of EN+ GROUP IPJSC ("EN+ Group", formerly known as EN+ Group Plc, the shares of which are listed on the London Stock Exchange, stock code: ENPL and the Moscow Stock Exchange, stock code: ENPG, respectively) after AnAn Group had become a shareholder of EN+ Group as strategic investor from December 2017 to April 2018; and he served as a director of Vision & Indepth Trust Pte. Ltd. (a company incorporated in Singapore, as its investment business is affected by COVID-19 pandemic previously, the company applied for and was struck off in November 2023) from November 2018 to November 2023.

SENIOR MANAGEMENT

Ms. Zhou Lu, aged 45, is the Deputy Chief Executive Officer. She is responsible for overseeing the asset management department, cross border business department and research department of the Group. She is a director of certain subsidiaries of the Company and a director of certain associated companies of the Company (including CPI Investment Holdings Limited (formerly known as Cinda Plunkett International Holdings Limited), Cinda International Investment Holdings Limited and Sino-Rock Investment Management Company Limited). She is a director of Cinda Agriculture Investment Limited and Cinda International HGB Investment (UK) Limited (all are subsidiaries of China Cinda). Prior to joining the Group, Ms. Zhou worked in a subsidiary of China Cinda as an investment manager. She has extensive experience in investment and asset management industry. Ms. Zhou received her Bachelor degree in Law from the Central University of Finance and Economics in 2001, and a Master degree in Commerce from the University of New South Wales in 2003.

Mr. Liu Jialin, aged 62, is the managing director of the Group's asset management department responsible for overseeing the operation of various funds. He is also a shareholder and a director of CPI Investment Holdings Limited (formerly known as Cinda Plunkett International Holdings Limited), an associated company of the Company and an independent non-executive director of the following companies listed on the Stock Exchange: (i) Far East Horizon Limited (stock code: 3360); and (ii) Horizon Construction Development Limited (stock code: 9930). Prior to joining the Group in February 2011, Mr. Liu worked for Morgan Stanley group of companies and once served as a member of the Global Management Committee and Asia Executive Committee as well as a managing director in the fixed income division in Hong Kong between 1992 to 2007. Mr. Liu has extensive experience in finance and securities industry. Mr. Liu obtained a Bachelor degree in Science from Peking University and Master of Science in Physics from Massachusetts Institute of Technology.

* *English names of the entities are transliteration of their Chinese names for reference only and shall not be regarded as their formal names.*

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE

The Board acknowledges the importance of good corporate governance practices and believes that maintaining a high standard of corporate governance practices is crucial to the development of the Company. The Company is committed to achieving and maintaining high standards of corporate governance and has established and reviewed policies and procedures for compliance with the principles and applicable code provisions set out in the CG Code.

Throughout the financial year 2024, the Company has applied the principles of and complied with all the applicable code provisions set out in the CG Code, with exception sets out as below:

– Pursuant to code provision C.5.1 of the CG Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. For the year ended 31 December 2024, two regular meetings of the Board were held in the first quarter and the third quarter. The Board considers that the two regular meetings were sufficient to deal with regular matters of the Company. During the financial year 2024, other Board meetings were also held, and consent of Directors on issues was also sought through circulating written resolutions in lieu of Board meetings as and when necessary.

The Board continues to monitor and review the Group's corporate governance practices to ensure compliance. The key corporate governance principles and practices of the Company are summarized as follows:

BOARD OF DIRECTORS

The Board assumes overall responsibility for leading and supervising the Group, and oversees the Group's strategic decisions and monitors business and performance of the Group. The Board laid down the direction of business for the Group and decided on important issues and significant transactions. The implementation of policies and daily management, administration and operations of the Group laid down by the Board rests with the Executive Management Committee ("EMC"), which at material time comprised certain EDs and members from the senior management.

Composition

As at the date of this CG Report, the Board comprises two EDs, a NED and three INEDs with at least one INED has appropriate professional accounting or related financial management expertise as required by Rule 3.10(2), and the Board is in compliance with Rules 3.10 and 3.10A of the Listing Rules.

During the year and up to the date of this CG Report, the Board comprises the following members:

NED

Mr. Zhang Yi	*(Chairman) (re-designated from an ED to a NED on 28 August 2024)*

EDs

Mr. Zhang Xunyuan	*(Chief Executive Officer)*
Ms. Yan Qizhong	*(Chief Financial Officer) (appointed on 2 March 2024)*
Mr. Lau Mun Chung	*(Deputy Chief Executive Officer) (ceased to be an ED with effect from 2 March 2024)*

INEDs

Mr. Zheng Minggao	
Ms. Hu Lielei	*(appointed on 27 July 2024)*
Mr. Zhao Guangming	*(appointed on 27 July 2024)*
Mr. Xia Zhidong	*(ceased to be an INED with effect from 27 July 2024)*
Mr. Liu Xiaofeng	*(ceased to be an INED with effect from 27 July 2024)*

Corporate Governance Report

Each of Ms. Yan Qizhong, Ms. Hu Lielei and Mr. Zhao Guangming has obtained legal advice prior to his/her appointment date on 26 February 2024, 22 July 2024 and 22 July 2024 respectively in accordance with Rule 3.09D of the Listing Rules. Each of them has confirmed his/her understanding of the obligations as a director of the Company.

The Board possesses, with regard to individual Directors and collectively, appropriate experience, competence and personal qualities, including professionalism and integrity, willingness to devote adequate time to discharge its responsibilities adequately and effectively. In addition, the Board collectively has adequate knowledge and expertise relevant to each of the core business activities that the Group pursues and the associated risks in order to ensure effective governance and oversight.

Members of the Board, who come from different backgrounds, have a diverse range of financial and professional expertise. The biographical particulars of all Directors are disclosed in the section headed "Biographical Details of Directors and Senior Management". None of the Directors has any financial, business, family or other material/ relevant relationship with one another. The list of Directors identifying their roles and functions is also available on the websites of the Company and the Stock Exchange from time to time.

Chairman and Chief Executive Officer

Mr. Zhang Yi, the Chairman, is primarily responsible for leading the Board and ensuring that good corporate governance practices and procedures are established, whereas Mr. Zhang Xunyuan, the Chief Executive Officer, is responsible for the overall operation of the Group. The role of the Chairman is separate from that of the Chief Executive Officer for achieving a clear division of separate responsibility and a balance of power and authority which in turn avoid concentration of power in any one individual. Directors are encouraged to make a full and active contribution to the Board's affairs and participate actively in all Board, committees and Shareholders meetings.

NEDS

The NED and INEDs, as equal Board members, provide the Group with diversified expertise and experience. Their views and participation in Board and committee meetings bring independent judgment and advice on issues relating to the Group's strategies, policies, performance, accountability, key appointments, conflicts of interest and management process, to ensure that the interests of all Shareholders are taken into account. A culture of openness and debate is promoted in order to facilitate the effective contribution of the NEDs and ensure constructive relations between EDs and NEDs (including the INEDs).

For the year ended 31 December 2024, the Company had one NED and three INEDs. All NEDs (including the INEDs) were appointed for a term of three years, all are subject to rotation in accordance with the provisions in the Bye-laws.

The Company had received from each of the INEDs an annual confirmation of independence. The Board considers that all of them are independent taking into account of the independence guidelines set out in Rule 3.13 of the Listing Rules. As at the date of this annual report, the Company has no INED who has served for more than nine years and holding seven (or more) listed company directorship.

Board Meetings

The Board meets regularly and at other time when necessary. The Chairman is responsible for ensuring that all Directors are properly briefed on matters to be discussed at Board meetings. All Directors have access to relevant and timely information and are given an opportunity to include matters in the agenda for all Board meetings. To ensure independent views and input are available to the Board, upon request to the Company Secretary, a Director may seek and be provided with separate independent professional advice to assist the relevant Director in discharging his/her duties to the Company at the Group's expense. The Chairman also hold meeting with the INEDs at least once a year without the presence of other directors. All Directors also have access to the advice and services of the Company Secretary, who is responsible for providing Directors with Board papers and related materials, and ensuring that Board procedures are followed. Where queries are raised by Directors, steps would be taken to respond as promptly and fully as possible. Minutes of Board meetings are kept by the Company Secretary which record in sufficient detail the matters considered and decisions reached.

Corporate Governance Report

The attendance of the Directors at the meeting of the Board, Remuneration Committee, Nomination Committee, Audit Committee and Shareholders held during the financial year 2024 is set out below:

	Number of meetings attended/held				
Name of Directors	**Regular Board Meetings**	**Remuneration Committee**	**Nomination Committee**	**Audit Committee**	**General Meetings**
NED					
Mr. Zhang Yi[1]	2/2	N/A	2/2	N/A	2/2
EDs					
Mr. Zhang Xunyuan	2/2	N/A	N/A	N/A	2/2
Ms. Yan Qizhong[2]	2/2	N/A	N/A	N/A	2/2
Mr. Lau Mun Chung[3]	0/0	N/A	N/A	N/A	0/0
INEDs					
Mr. Zheng Minggao	2/2	2/2	N/A	3/3	2/2
Ms. Hu Lielei[4]	1/1	0/0	0/0	1/1	1/1
Mr. Zhao Guangming[4]	1/1	0/0	0/0	1/1	1/1
Mr. Xia Zhidong[5]	1/1	2/2	2/2	2/2	1/1
Mr. Liu Xiaofeng[5]	1/1	2/2	2/2	2/2	1/1

Notes:

1 re-designated from an ED to a NED on 28 August 2024

2 appointed as an ED on 2 March 2024

3 ceased to be an ED with effect from 2 March 2024

4 appointed as an INED on 27 July 2024

5 ceased to be an INED with effect from 27 July 2024

During the year, the Chairman held a meeting with the INEDs without the presence of other Directors.

For a matter to be considered by the Board which has a conflict of interest with the substantial Shareholder or a Director and has been determined by the Board as material, the matter would be dealt with by a physical Board meeting. In other cases, where Directors are unable to meet together, matters are resolved by written resolutions in the manner prescribed by the Bye-laws. Full meeting materials are circulated and commented through electronic mail.

Notice of at least 14 days is given of a regular Board meeting to give all Directors an opportunity to attend meeting in person or through electronic means of communication. For all other Board meetings, reasonable notice will be given. The agenda and the accompanying board papers are despatched to the Directors at least three days before the intended date of a regular Board or Board committee meeting to enable them to make informed decisions. Minutes of the Board meetings are prepared and circulated to all Directors in reasonable time, kept by the Company Secretary and open for inspection at any reasonable time on reasonable notice by any Director.

Management reports are sent to all Directors to keep the Directors apprised of the latest development and financial position of the Group and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

Corporate Governance Report

Rotation and Re-election of Directors

The Bye-laws provide that every Director shall retire from office by rotation at least once every three years. Directors appointed by the Board during the year shall hold office until the next following annual general meeting shall then be eligible for re-election by the Shareholders.

For those INEDs who have been serving on the Board for more than nine years and seeking re-election in an annual general meeting, particular consideration will also be given in assessing their independence. Reasons will also be given in the circular in relation to that annual general meeting to explain why the Board believes those INEDs are still independent and should be re-elected, including the factors considered, the process and the discussion of the Board in arriving at such determination.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for Directors' dealing in the securities of the Company. Having made specific inquiries of the Directors, all Directors confirmed that they had complied with the required standards at all times throughout the financial year 2024.

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company will provide a comprehensive, formal and tailored induction to each newly appointed Director on his/her first appointment in order to enable him/her to have appropriate understanding of the businesses and operations of the Company and ensure that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

All Directors are encouraged to participate in continuous professional development activities to develop and refresh their knowledge and skills so as to ensure that their contribution to the Board remains informed and relevant. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities for maintaining an effective Board. The Company has provided technical updates to the Directors, including amendments on the Listing Rules and the news release and guidelines published by the Stock Exchange. According to the records provided by the Directors and maintained by the Company, the training received by the Directors for the year ended 31 December 2024 is summarized as follows:

	Directors' duty and corporate governance	Legal and regulatory updates	Business updates
NED			
Mr. Zhang Yi[1]	Yes	Yes	Yes
EDs			
Mr. Zhang Xunyuan	Yes	Yes	Yes
Ms. Yan Qizhong[2]	Yes	Yes	Yes
Mr. Lau Mun Chung[3]	Yes	Yes	Yes
INEDs			
Mr. Zheng Minggao	Yes	Yes	Yes
Ms. Hu Lielei[4]	Yes	Yes	Yes
Mr. Zhao Guangming[4]	Yes	Yes	Yes
Mr. Xia Zhidong[5]	Yes	Yes	Yes
Mr. Liu Xiaofeng[5]	Yes	Yes	Yes

Notes:

1. re-designated from an ED to a NED on 28 August 2024
2. appointed as an ED on 2 March 2024
3. ceased to be an ED with effect from 2 March 2024
4. appointed as an INED on 27 July 2024
5. ceased to be an INED with effect from 27 July 2024

REMUNERATION COMMITTEE

As at the date of this CG Report, the Remuneration Committee comprises three INEDs. The members are Mr. Zheng Minggao, Ms. Hu Lielei and Mr. Zhao Guangming. Mr. Zheng Minggao was re-designated as the chairman of the Remuneration Committee on 27 July 2024.

A written terms of reference of the Remuneration Committee was adopted at its inception and is updated when necessary. The Remuneration Committee is provided with sufficient resources to discharge its duties and can seek independent professional advice at the Company's expense if considered necessary. The major roles and functions of the Remuneration Committee are included in its terms of reference which are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee shall meet as and when necessary or as requested by any its members. The Remuneration Committee held two meetings in the financial year 2024, the attendance of each member is set out in section headed "Board Meetings" of this CG Report. Apart from the Remuneration Committee meetings, consent of Remuneration Committee members on issue was also sought through circulating written resolutions.

During the financial year 2024, the Remuneration Committee discussed the remuneration package and/or remuneration of the newly appointed ED, INEDs and the re-designated NED respectively.

Directors' Remuneration Policy

All EDs have entered into service contracts with the Company. As recommended by the Remuneration Committee and determined and approved by the Board, the service contracts provide the EDs with a fixed monthly salary, housing allowance (where applicable) determined in accordance with their qualification, experience and the prevailing market conditions together with an annual management bonus decided with reference to the Group's financial performance, the individual's performance during the year and the market conditions. The NED has entered into a letter of appointment with the Company and does not received any director's fee and/or remuneration as NED. All INEDs are entitled to a director's fee decided by the Board as recommended by the Remuneration Committee. The Board confirms that no Directors or their associates (as defined in the Listing Rules) are involved in determining their own remuneration. Details of remuneration payable to the Board members and the key management personnel have been disclosed in the notes to the consolidated financial statements in this annual report.

NOMINATION COMMITTEE

As at the date of this CG Report, the Nomination Committee comprises three members, including Mr. Zhang Yi, the Chairman and a NED, and two INEDs, Ms. Hu Lielei and Mr. Zhao Guangming. The Nomination Committee is chaired by Mr. Zhang Yi.

A written terms of reference of the Nomination Committee was adopted at its inception and is updated when necessary. The Nomination Committee is provided with sufficient resources to discharge its duties and can seek independent professional advice at the Company's expense if considered necessary. The major roles and functions of the Nomination Committee are included in its terms of reference which are available on the websites of the Company and the Stock Exchange.

The Nomination Committee shall meet at least once annually. The Nomination Committee held two meetings in the financial year 2024, the attendance of each member is set out in section headed "Board Meetings" of this CG Report. Apart from the Nomination Committee meetings, consent of Nomination Committee members on issue was also sought through circulating written resolutions.

A summary of the work performed by the Nomination Committee during the financial year 2024 was listed below:

1. make recommendation to the Board on the matters relating to the re-appointment, the change and the re-designation of Directors;

2. reviewed the structure, size and composition of the Board; and

3. reviewed the implementation and effectiveness of the Board Diversity Policy and the Company's mechanism under which independent views and input are available to the Board.

Nomination Policy

The Board has adopted the Nomination Policy. The appointment of a Director (either to fill a casual vacancy or as an additional Director) or any re-appointment of a Director is approved and decided by the Board and/or the Shareholders at the general meeting upon the recommendations from the Nomination Committee. The selection process of Directors will be transparent and fair. The Nomination Committee will select from a broad range of candidates and as far as feasible including those who are outside the Board's circle of contacts and in accordance with the Company's Board Diversity Policy. The Nomination Committee will consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, reputation for integrity, independence and gender diversity. It will also consider succession planning to ensure the long-term success of the Company.

Board Diversity Policy

Board diversity has become a critical factor in business resiliency, sustainability and long-term financial performance. The positive results of diversity are so well established that investors are demanding that corporates achieve greater diversity to enhance risk management and achieve a sustainable and balanced development.

The Board has adopted the Board Diversity Policy which sets out the approach to achieve Board diversity. The Nomination Committee and the Board reviews and monitor the implementation and effectiveness of the policy on an annual basis. The Board recognizes and embraces the benefits of having a diverse Board. A truly diverse Board will be achieved through several factors, including but not limited to differences in gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will continue to primarily responsible for identifying suitable qualified candidates to become Board members and to ensure that the Board has an appropriate balance and diversity with giving adequate consideration to the Board Diversity Policy.

Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, in addition to the aforementioned diversity factors, consideration will be given to independence that the candidate can bring to the Board in all aspects, commitment in respect of sufficient time and attention to the Company's business, and the conditions required by the stock exchange on which its shares are listed and by the regulatory authorities of the places of its listing, etc., in order to ensure the diversity of the Board has a balanced composition and create positive contribution to the Board.

The Company remains committed to meritocracy in the boardroom, which requires a diverse and inclusive culture where Directors believe that their views are heard and their concerns are attended to and they serve in an environment where bias and discrimination on any matter are not tolerated.

As at the date of this CG report, the Company maintained an effective Board comprising members with a diverse mix of gender, professional background and industry experience. The Board consists of 4 male Directors and 2 female Directors. The Board targeted to at least maintain the current level for female representation of the Board, and will continue to maintain board diversity and ensure the effectiveness of the Board Diversity Policy.

Workplace Diversity

Diversity is well supported in our corporate culture. Our employment practice complies with applicable laws and regulations and does not discriminate on the grounds of gender, race, ethnicity, disability, age, religious belief, sexual orientation or family status. The gender ratio in the workforce remains balanced for the year end 31 December 2024, which is 1:1. The Company has adopted a written human resources policy to govern the recruitment and diversity of workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. The Company will continue the mechanism to maintain the gender diversity in workforce. Further details of gender ratio has been disclosed in the ESG Report.

AUDIT COMMITTEE

As at the date of this CG Report, the Audit Committee comprises three INEDs. The Audit Committee is chaired by Ms. Hu Lielei who possesses appropriate professional qualifications and experience in accounting and financial management. The other two members are Mr. Zheng Minggao and Mr. Zhao Guangming.

A written terms of reference of the Audit Committee was adopted at its inception and is updated when necessary. The Audit Committee is provided with sufficient resources to discharge its duties and can seek independent professional advice at the Company's expense if considered necessary. The major roles and functions of the Audit Committee are included in its terms of reference which are available on the websites of the Company and the Stock Exchange.

The Audit Committee shall meet at least twice a year. The Audit Committee held three meetings in the financial year 2024, the attendance of each member is set out in section headed "Board Meetings" of this CG Report. Apart from the Audit Committee meetings, consent of Audit Committee members on issue may also sought through circulating written resolutions.

A summary of the work performed by the Audit Committee during the financial year 2024 was listed below:

1. reviewed and approved the retirement and appointment, the remuneration and the terms of engagement of the external auditor;

2. reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process;

3. reviewed and commented on each of the interim and annual financial statements of the Group and the independent auditor's report before submission to the Board;

4. reviewed the Group's financial control, internal control and risk management systems;

5. reviewed the results of the audit on continuing connected transactions;

6. reviewed the findings and the recommendations of the Group's internal auditor on the Group's operations and the regulatory review carried out by the regulators; and

7. monitored the financial reporting process of the Group.

The work and findings of the Audit Committee have been reported to the Board. During the year, no issue brought to the attention of the Board was of sufficient importance to require disclosure in this annual report.

Corporate Governance Report

AUDITOR'S REMUNERATION

Following the retirement of Baker Tilly Hong Kong Limited, BDO was appointed as the external independent auditor of the Company from the date of conclusion of the 2024 annual general meeting (i.e. 27 June 2024). The financial statements of the Company for the year ended 31 December 2024 have been audited by BDO.

During the year, the fees paid/payable to BDO are set out below:

Category of services	**Fees paid/payable** *HK$*
Audit service	776,980
Non-audit services	300,598
Total	1,077,578

Note: The fees for the Company's subsidiaries' audit services, including statutory audit fee to their respective auditors, amounts to HK$61,837.

ACCOUNTABILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for the preparation of financial statements for the Company which gives a true and fair view of the state of affairs of the Company as at 31 December 2024, and its profit or loss and the cash flows for the year. The financial statements are prepared on the assumption of going concern and are in accordance with the statutory requirements and applicable accounting and financial reporting standards. The Directors also ensure that the publication of the financial statements of the Group is done in a timely manner.

The statements of the Directors and the independent auditor of the Company regarding their respective responsibilities on the financial statements of the Company are set out in the Independent Auditor's Report on pages 55 to 60 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Group strives to maintain a sound and effective internal control and risk management system covering all material controls including financial, operational, compliance and ESG-related controls to safeguard the assets of the Group and its clients. The Board acknowledges its responsibilities for the risk management and internal control systems and reviews their effectiveness regularly. To achieve this end, a proper segregation of duties and responsibilities is in place. The management is primarily in charge of designing, implementing and monitoring the risk management and internal control systems. Procedures have been designed against unauthorized use or disposal, for maintaining proper accounting records, ensuring the reliability and usefulness of financial information for internal business use or for publication, and monitoring the compliance with applicable laws, rules and regulations. They are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatements or losses.

The Board has assessed the effectiveness of the internal control and risk management system of the Group including the design, implementation and monitoring of risk management and internal control systems with the assistance of the Audit Committee twice during the year. The legal, compliance and internal audit department ("LCIA") and the risk management department ("RM") half-yearly assessed the internal control and risk management procedures respectively to validate their effectiveness and report the findings to the Audit Committee, which in turn reports to the Board. In addition, to ensure the Company fully complies with related rules and regulations promulgated by the SFC and to identify potential risks, the LCIA performs regular compliance and internal control testing. Exceptional results are brought to the management's attention. Disciplinary actions are in place to deal with identified non-compliance cases.

Corporate Governance Report

The Board is responsible for overseeing the risk appetite of the Company including determining the Company's acceptable level of risk, and review from time to time the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, risk management, financial reporting functions, as well as environmental, social and governance performance and reporting. The Board considers the internal control and risk management system of the Company effective and adequate, and the code provisions on risk management and internal control are complied with. The Group acknowledges that the strengthening of the internal control and risk management system is an ongoing process and will continue to monitor, design and implement appropriate measures to meet the changing business and regulatory environment.

Dissemination of Inside Information

The Group discloses inside information to the public as soon as reasonably practicable in accordance with the requirements under the Listing Rules and the SFO. Before full disclosure of the inside information to the public, the Group takes reasonable measures to ensure that the information is kept strictly confidential. The Group also strives to present information in a clear and balanced way, which requires equal disclosure of both positive and negative facts, and to ensure that information contained in all corporate communications is not false or misleading as to a material fact, or false or misleading through the omission of a material fact.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out below:

1. to develop and review the Company's policies and practices on corporate governance;

2. to review and monitor the training and continuous professional development of Directors and senior management;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

5. to review the Company's compliance with the CG Code and disclosure in its CG Report.

OTHER CORPORATE GOVERNANCE PRACTICE

There are three major management committees established by the Group, each charged with specific duties of leading and controlling the daily operation and management of the Group. The EMC, chaired by the Chief Executive Officer, is responsible for setting up and implementing Group policy, exercising control over operational activities, reviewing and approving budgets, and making decisions on all major issues. Other members of the EMC include an ED and a member from the senior management of the Group.

The Risk Management Committee ("RMC") of the Company is accountable to the EMC. The RMC is responsible for dealing with all risk management issues of the Group, and reviewing clients' complaints. The RMC is chaired by the deputy head of RM.

The Investment Management Committee ("IMC") of the Company is also accountable to the EMC. The IMC is responsible for formulating investment policies including the setting of investment limits of the Group and approving investment projects proposed by business units/departments of the Group. The IMC is chaired by the Chief Executive Officer.

Corporate Governance Report

SHAREHOLDERS ENGAGEMENT

The Company strives to maintain effective and on-going communication with its Shareholders and is committed to ensuring that the Group complies with disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all Shareholders and potential investors have an equal opportunity to receive and obtain externally available information issued by the Company. The Board has the overall responsibility to ensure that the Company maintains an ongoing dialogue with the Shareholders, and to provide them with information necessary to evaluate the performance of the Company. The Board adopted the Shareholders Communication Policy in March 2012 which is available on the website of the Company and is updated when necessary. Information regularly provided to the Shareholders includes annual and interim reports, circulars and announcements in accordance with the Listing Rules. The Board reviews the Shareholders Communication Policy annually and considered it has been properly implemented and effective. During the financial year 2024, the Company held an annual general meeting on 27 June 2024 and a special general meeting on 30 December 2024. All general meetings were successfully held in the financial year 2024.

The Company welcomes and encourages Shareholders' active participation in annual general meetings or other general meeting to express their views, so as to provide an effective platform for communication between the Shareholders and the Board. Sufficient notice of general meetings will be given to the Shareholders. The Company regards the general meeting(s) as an important event, the Chairman, other members of the Board are invited to attend the general meeting(s) in order to have communication with Shareholders, answer and discuss matters in relation to the Company. The external auditor is also required to be present to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence. A separate resolution will be proposed for each substantially separate issue at a general meeting. The Chairman of every general meeting will provide an explanation of the detailed procedures for conducting a poll.

For both institutional and retail investors, the Company's website, www.cinda.com.hk, provides up-to-date information about the Group. All key information such as announcements, annual and interim reports can be downloaded from this website.

SHAREHOLDERS' RIGHTS

(1) Procedures for Shareholders to convene a special general meeting ("SGM") and putting forward proposals at Shareholders' meetings

The Board shall, on the requisition in writing of the Shareholders of not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company to the Board or the secretary of the Company, forthwith proceed to convene a SGM in accordance with the Companies Act 1981 of Bermuda and the Bye-laws where applicable.

The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at the Shareholders' meeting. It must also be signed by all of the Shareholders concerned and be deposited at the Company's office in Hong Kong at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong, for the attention of the Company Secretary.

If within twenty-one days of such deposit the Board fails to proceed to convene the SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any meeting so convened shall not be held after three months from the date of the original deposit.

The Shareholders concerned must deposit a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the Shareholders concerned under applicable laws and rules.

As regards Shareholders proposing a person for election as a director, please refer to the procedures as set out in the "Procedure for shareholders to propose a person for election as a director" on the website of the Company at www.cinda.com.hk.

(2) Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong. Shareholders and the investment community may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by writing and provide sufficient contact details to the Company Secretary at the Company's office in Hong Kong at 45th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong.

Dividend Policy

The Board adopted the Dividend Policy in December 2018, pursuant to which the Board may propose to declare and distribute dividends to the Shareholders after taking into consideration of, inter alia, the following factors:

1. general economic conditions;

2. the Group's financial results;

3. the Group's capital requirement for business strategies and future development needs;

4. taxation considerations;

5. possible effects on the Group's liquidity;

6. shareholders' expectations; and

7. other factors which the Board may consider appropriate.

Declaration of the dividend by the Company is also subject to any restrictions under the Laws of Bermuda, the Bye-laws and any applicable laws, rules and regulations. The Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board. The Board may from time to time pay to the Shareholders such interim dividends as appeared to the Board to be justified by the profit of the Group.

CONSTITUTIONAL DOCUMENTS

There were no changes in the Company's constitutional documents during the year.

COMPANY SECRETARY

The Company Secretary is an employee of the Company, all Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman and/or the Chief Executive Officer on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with Shareholders and the management. The approval for the selection, appointment or dismissal of the Company Secretary rests with the Board at a physical Board meeting.

Corporate Governance Report

Mr. Lau Mun Chung acted as the Company Secretary of the Company since 25 May 2000 until his retirement on 2 March 2024. Ms. Li Hiu Ling was appointed as the Company Secretary of the Company following Mr. Lau's retirement. Ms. Li is an employee of the Company, the head of company secretarial department of the Company, and the company secretary of certain subsidiaries of the Company. She is a fellow member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute, and awarded with the dual designations of Chartered Secretary and Chartered Governance Professional. During the financial year 2024, Ms. Li has received no less than 15 hours of relevant professional training.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to contributing to the community and fostering a caring culture, and organised different social services activities and encouraged staff members to participate in voluntary work, and has received several ESG awards in 2024, details of which are disclosed on page 43 of the ESG Report. As a good corporate citizen, the Group will continue to uphold its corporate social responsibility.

The ESG Report is set out on pages 27 to 43 of this annual report.

Environmental, Social and Governance Report

ABOUT THIS REPORT

To comply with the requirements set forth in ESG Reporting Code, the Group must publish an ESG Report on an annual basis and regarding the same period covered in its annual reports. An ESG Report will be presented as information in the Group's annual report to be published on the websites of the Company and the Stock Exchange.

The Group hereby presents this ESG Report for the year ended 31 December 2024 ("Reporting Period"). The ESG Report is organized into two ESG subject areas: environmental aspect and social aspect. The Group is in compliance with the mandatory disclosure requirements and "comply or explain" provisions set out in the ESG Reporting Code, and followed the reporting principles in the preparation of the ESG Report.

STATEMENT FROM THE BOARD

Governance Structure

The Board believes that a comprehensive corporate governance and well-developed operation practices are the foundation of the Group's sustainable and long-term development. To ensure appropriate and effective ESG policies are in place, the Board acts a leading role and takes full responsibility for the oversight of ESG matters including evaluating and determining material ESG-related issues and risks.

The Board attaches great importance to ESG and has overall responsibility for its strategy and reporting to ensure the completeness of the ESG Report. The Board strives to create long-term value to stakeholders while taking account of ESG and related risks. The Board aims to put ESG considerations into business decision making process. Effective implementation of ESG policies relies on the collaboration of different departments. The Board intends to communicate with the management on an ongoing basis in order to review, evaluate, prioritize and manage material ESG-related issues and risks in operation that may have impact on the Group, so as to ensure the current policies follow laws and regulations as well as to meet business needs and stakeholders' expectations.

The Group cherishes every feedback from key stakeholder groups, which comprise its customers, employees, shareholders, investors and the community (the "Stakeholders"), that is conducive to the continuous improvement of the Group and creates valued contribution to our business decisions that meets the Stakeholders' needs and expectations. The Group provides a range of channels such as meetings, interviews, reporting, surveys, and feedback channel on intranet and/or Company's website to collect the views on ESG from the Stakeholders in order to review ESG-related goals and targets.

Environmental, Social and Governance Report

Reporting Principles

Materiality: The ESG Report covers the material ESG factors that are related to different Stakeholders. The Board and the management are mainly responsible for identification of key ESG factors on the basis of the feedback from the Stakeholders.

Quantitative: To provide a comprehensive comparison of the performance in emissions and energy consumption of the Group between 2023 and 2024, summary tables of performance are shown in relevant sections. Information on the standards, methodologies, assumptions and/or calculation tools, and source of conversion factors used for the reporting of emissions and energy consumption are referred to the guideline set out in Reporting Guidance on Environmental KPIs published by the Stock Exchange.

Balance: The Group reports its ESG performance in an unbiased manner, avoiding selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency: Methodologies and key performance indicators are used and calculated in a consistent approach. If there are any changes in consistency that may affect a meaningful comparison details would be disclosed.

Reporting Boundary

The ESG Report covers the main business scope of the Group, excluding associated companies and joint ventures. The Group has identified relevant ESG issues and assessed their materiality on our businesses as well as on our Stakeholders through reviewing our operations. Disclosures relating to material ESG issues identified have been included in this ESG Report pursuant to the ESG Reporting Code. There is no significant change in reporting boundary from the 2023 ESG Report.

Environmental, Social and Governance Report

A. ENVIRONMENTAL

A1. Emissions

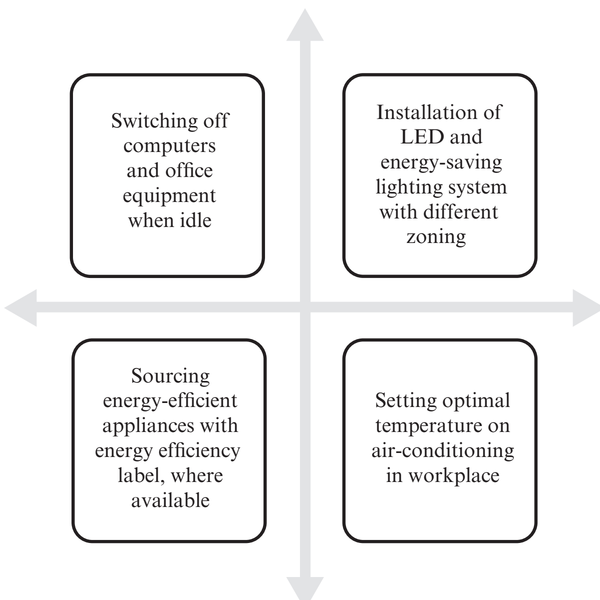
Environmental protection plays an essential role for a corporation's sustainability. The Group is committed to integrating environmental protection into our business and keep reducing the environmental impact from its operations, and to promote awareness of environmental protection of its Stakeholders in which the Group's operations are located.

The Group is principally engaged in the provision of asset management services, corporate finance advisory services, securities brokering services, commodities and futures brokering services, and fixed income investment business. We do not have significant air emission nor do we generate hazardous waste, so the main contributors to the Group's carbon footprint are (1) indirect greenhouse gas ("GHG") emission from electricity consumption (which is mainly attributed to the use of lighting system, air-conditioning and office equipment); (2) direct GHG emission from petrol consumption of the Company's motor vehicle; (3) indirect GHG emission from business travel by flight; and (4) paper consumption in business operation. As such, the Group keeps minimizing the environmental impacts by reducing GHG emission from its operations with the following means:

(a) Control of GHG emission from minimizing air travel and electricity consumption

During the Reporting Period, the Group actively encouraged its employees to adopt electronic means of communication such as video or telephone conferencing. Video conference equipment is available in conference rooms upon request. Employees were also encouraged to use mobile applications such as WeChat, VooV and Zoom to conduct virtual meetings.

Electricity consumption is the major generator of the Group's GHG emission. We recognise the importance of effective use of resources and are committed to reducing wastage in our daily operations. We consume electricity in the course of our business operations and administrative processes, therefore the following measures are adopted to reduce and control the electricity consumption so as to reduce the GHG emission level of the Group:



(b) Control of paper consumption

The business operation of the Group consumes significant amount of papers and the Group has adopted a series of initiatives to reduce the level of paper consumption:

Launching mobile application enabling online account opening, online trading, and review of transaction records by clients	Organizing events and activities to enhance employees' motivation to minimize the use of electricity and paper in office
Encouraging use of electronic means of communication such as email and intranet	Selection of insurance companies which provide paperless claiming procedures
Using duplex printing and reusing single-side printed papers	Promotion of electronic statements among our clients
Paperless board meeting	Developing and adopting the office administration automation systems (O.A. System) to convert the daily operational administrative processes into online operations, including but not limited to human resources-related applications, administrative reimbursements, applications for use of company chop, etc., to streamline the operation and administrative process and reduce the use of paper and implement a paperless office

(c) Emission summary

i) GHG emission

Indicators (tonnes)	2023	**2024**
Scope 1: Direct GHG emissions		
– motor vehicle	0.59	**0.43**
Scope 2: Energy indirect GHG emissions		
– electricity consumption	208.24	**194.44**
Scope 3: Other indirect GHG emissions		
– paper consumption	10.47	**9.64**
Scope 3: Other indirect GHG emissions		
– business air travel	19.22	**41.54**
Total	238.52	**246.05**

The total GHG emissions have been increased by 3% compared with 2023. The reduction target for 2024 has not been achieved. The Group is committed to striking a balance between green travel and business activities, and actively encouraged the use of alternative communication means to replace physical meetings. Therefore, GHG emissions related to motor vehicle have been further reduced. Meanwhile, electricity and paper consumptions have also recorded a decline, with a reduction of nearly 7% and 8% in electricity consumption and paper consumption respectively, indicating that the emission reduction measures taken by the Group are effective. However, social and business activities have been resumed after the COVID-19 pandemic and the frequency of business air travel increased, the GHG emissions related to business air travel have been increase nearly 116% compared with 2023. The Group will continue to strengthen the above emission reduction measures and encouraging the employees to use alternative communication means to balance green travel and business activities, and has set a target for the year 2025 that the total GHG emission will decrease by around 1% to 2% or stay at a relatively level as in 2024, as far as reasonably practicable.

ii) The key air pollutants from the Group's operation mainly consist of nitrogen oxides, sulphur oxides and respirable suspended particulars, which mainly generated by the motor vehicle

Air pollutants emission

Indicators (g)	2023	**2024**
Nitrogen Oxides (NOx)	132.97	**61.63**
Sulphur Oxides (SOx)	3.19	**2.33**
Respirable Suspended Particulars (RSP)	9.79	**4.54**

(d) Control of production of hazardous and non-hazardous wastes

In view of the nature of the Group's operations, we did not generate any hazardous wastes. The Group upholds the principle of waste management. All of our waste management practices comply with relevant laws and regulations. The Group arranges independent third-party collector to collect all scrapped electronic equipment for proper treatment.

During the Reporting Period, the Group generated non-hazardous wastes, the majority of which was paper, with a weight of around 3,603kg. Compared with 2023, the total paper consumption has been reduced by 8%. The Group has been committed to reducing paper consumption, and encourage employees to work and communicate through electronic means and electronic documents. The Group continues to control paper consumption and strives to implement paperless office. The Group will continue to strengthen the control measures and aims to set the reduction target on paper consumption around 1% to 3%, as far as reasonably practicable.

We strive to reduce, reuse and recycle throughout our operations to minimize the disposal of wastes to landfill. Different facilities have been provided to employees in office to facilitate source separation and waste recycling. The Group has adopted policy to evaluate and balance the number of electronic devices replacement for the need of employees and the device performance, aiming to minimize the production of solid and electronic wastes by boosting the device performance instead of periodic replacement of new devices. In addition, in order to reduce the generation of computer wastes, the Group implemented a computer recycling program as part of our environmental protection initiative. Due to the efficient measure to evaluate and balance the number of electronic devices replacement, the recycling rate of electronic wastes reduced by around 27% compared with 2023. The Group will continue this policy.

A2. Use of Resources

(a) The Group continues with initiatives to conserve resources for environmental and operating efficiency purposes. Fuel (unleaded petrol) consumption and electricity consumption are respectively the main source of direct and indirect energy consumption. To pursue our environmental commitment, an environmental policy and a purchasing policy are in place. We have implemented various initiatives throughout our operations such as deploying energy-efficient devices which carry Energy Label issued by the Electrical and Mechanical Services Department of Hong Kong, minimizing the use of paper, reducing water consumption and encouraging the employees to use public transportation. Through actively monitoring and managing the use of resources, we aim to reduce our carbon footprints as well as our operating cost.

The results achieved by such improvements are reflected in the energy consumption summary below.

Energy consumption summary:

Indicators (KWh)	2023	**2024**	**Intensity 2024 (Per employee)**
Direct energy consumption (unleaded petrol)	2,100.89	**1,533.85**	**19.66**
Indirect energy consumption (electricity)	267,882.00	**243,046.00**	**3,115.97**
Total energy consumption	269,982.89	**244,579.85**	**3,135.63**

The decrease in energy consumption from 2023 to 2024 was primarily attributed to the Group's commitment to green travel and promotion of electronic means of communication methods such as video or phone conferencing. The great decline in the frequency of use of the Company's motor vehicle resulted in a significant decrease in petrol consumption. The intensity per employee increased in 2024 primarily due to reduction in the total number of employee. The reduction target for 2024 has been achieved indicating that the energy consumption controls implemented by the Group are effective. We strive to follow the controls in energy usage and aim to further cut down energy consumption by 1% to 3% in 2025 as far as reasonably practicable.

(b) The Group is committed to conserving clean water. In view of the nature of the Group's business, we do not use a large amount of water or produce sewage in our daily operations. In order to strengthen employee's water-saving awareness, reminders and labels are placed in such water consumption areas as pantries and lavatories. As the Group is operating in the leased office premise of which the building management is responsible for both water consumption and discharge, and thus data in relation to volume of water consumed and discharged would not be provided for any occupants. The management fee of the leased premise paid to the building management company includes charges for water supply and discharge.

(c) The Group provides various financial services, given the nature of its business, the Group does not involve packaging materials.

A3. The Environment and Natural Resources

During the Reporting Period, the Group continued to make its best endeavor to protect the environment in business activities and workplace. Environmental protection is a continuous process, including management of energy and water consumption, and waste production. As a good corporate citizen, we acknowledge the responsibility of minimizing the negative environmental impact on our business operations and investments, in order to achieve a sustainable development for generating long-term values to our Stakeholders and the community as a whole.

The Group aims to save natural resources by enhancing the awareness among employees, promoting resources-saving habit and reviewing the efficiency of our business operations from time to time. We regularly assess the environmental risks of our business, and adopt preventive measures as necessary to reduce the risks and ensure the compliance of relevant laws and regulations. In 2024, there were no non-compliance cases reported in relation to air and GHG emission, discharge into water and land, and generation of waste within the Group.

A4. Climate Change

Climate change and global warming are driven by GHG emissions which are becoming the major environmental concerns in the world. As a good corporate citizen, the Group strives to put forward environmental conservation and encourages its employees to practice low carbon lifestyle in order to reduce GHG emissions and contribute to carbon neutrality. In an effort to reduce carbon footprint and emissions, the Group actively adopted relevant environmental policy and office environmental measures as mentioned in the ESG Report. Meanwhile, the Group participated in various environmental conservation events including “Earth Hour” and “Green Low Carbon Day” and organized different types of “green” activities in workplace so as to encourage its employees to take part in environmental conservation activities and strengthen their awareness in climate change. The Group monitors the energy consumption intensity across its operations from time to time to identify opportunities for increasing efficiency and reducing GHG emissions.

In addition, in response to the changes in weather patterns and the increased severity of extreme weather events which might disrupt the continuity of daily operations of the Group, we have developed bad weather arrangement for our employees. Following the Stock Exchange’s implementation of the severe weather trading day from 23 September 2024, the Company continues to operate and provide securities trading services to our clients regardless of severe weather conditions. Climate change has no significant impact on the Group’s businesses for the time being.

B. SOCIAL

B1. Employment

We believe that employees are our valuable assets and the foundation of the Group's sustainable development. We strive to attract and retain talents and reconcile economical imperatives with staff well-beings, aiming at reinforcing satisfaction, loyalty and commitment of human capital.

We have developed a written human resources policy and an employee handbook to govern the compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare of our employees, in accordance with the relevant laws and regulations.

Compensation and dismissal

The Group enters into employment contracts with employees and stipulates the terms and conditions of employment, including remuneration package, probation period and termination.

The level of remuneration of our employees is reviewed annually on a performance basis with reference to the market standard.

Recruitment and promotion

Recruitment is based on job requirements, relevant qualifications, skills, experience and abilities.

The Group provides employees with good promotion opportunities, sets up performance evaluations in various aspects such as work performance, attitude and ability, and provides employees with rewards and promotion opportunities.

Workplace management

Working hours, Holidays and leaves

Working hours and holidays for employees are in line with local employment laws. Apart from statutory holidays, all employees are entitled to paid annual leaves depending on their ranks and years of services, as well as other leaves such as examination leave, birthday leave and special leave, which all eligible employees are entitled to.

Equal opportunity and anti-discrimination

Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination against their gender, pregnancy, marital status, disability, family status, race and religion, etc.

Diversity

The Company respects cultural and individual diversity. The Board Diversity Policy sets out the principal and guidelines to achieve diversity of the Board.

Benefits and welfare

A wide range of benefits including comprehensive medical (including dental and annual body check-up) and life insurance, tuition aid and mandatory provident fund are provided to employees. The medical insurance even covers family members of the employees. Social and recreational activities are organized regularly for the employees in achieving work-life balance, certain of which were conducted through virtual means.

As at 31 December 2024, the Group had a total number of 78 employees, of which 39 were male and 39 were female, all were full-time employees and based in Hong Kong office. Upon completion of the disposal 50% interests in each of two subsidiaries of the Company established in the PRC in December 2024, the Group no longer has any offices and employees based in Mainland China. As regards disability, the Company did not record the health status of the employees, hence no employee was recorded as disabled.

Details of total workforce are as follows:

Total Workforce – by Age Group

	Age Group			
	30 or below	**31 to 40**	**41 to 50**	**51 or above**
Hong Kong office	7	34	28	9

Total Workforce – by Gender

	Female	**Female**
Hong Kong office	39	39

Total Workforce – by Employment Category

	Employment Category			
	Chief Level Executives	**Senior Management**	**Middle Management**	**General Staff**
Hong Kong office	2	5	14	57

New Employees – by Age Group

	Age Group			
	30 or below	**31 to 40**	**41 to 50**	**51 or above**
Hong Kong office	2	13	2	1
Mainland offices	0	3	0	0

New Employees – by Gender

	Male	**Female**
Hong Kong office	9	9
Mainland offices	3	0

Annual Turnover Rate – by Gender

	Male	Female
Hong Kong office	13(33.3%)	9(23.1%)
Mainland offices*	0	1

Annual Turnover Rate – by Age Group

	Age Group			
	30 or below	31 to 40	41 to 50	51 or above
Hong Kong office	3(42.9%)	10(29.4%)	4(14.3%)	5(55.6%)
Mainland offices*	0	1	0	0

During the Reporting Period, the Group's Hong Kong office and Mainland Offices did not have any cases of material non-compliance with laws and regulations related to the Group's employment and labour practices, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

* The denominator for calculation of the turnover rate is the total number of respective category of employees in the respective geographical region as at 31 December 2024. As the Group no longer had any offices in Mainland China upon completion of the disposal of two subsidiaries of the Company established in the PRC in December 2024, the turnover rate is unavailable.

B2. Health and Safety

We are committed to providing and maintaining a safe, healthy and hygienic workplace for all employees, and all other persons likely to be affected by our operations and activities. The safeguard for employees' health and safety is one of the essential elements of the Group, we provide medical insurance and annual body check-up to employees to improve health level.

Health and safety standards are given prime consideration in our operations, and regulatory compliance is strictly upheld. Employees at every level are committed to, and accountable for, the delivery of the safety initiatives contained in the employee handbook of the Group, with a view to maintaining a dynamic and injury-free culture. Appropriate measures are taken to continuously improve the safety and health aspects in the workplace.

Despite the epidemic situation of COVID-19 has subsided, the Group continued to minimize the risk of the spread of the COVID-19 or other bacteria/virus by implementing various preventive measures, and continuously monitored the health condition of employees to ensure that all preventive measures were in place. To safeguard the health of our employees, the Group proactively implemented disinfection measures in order to maintain a safe and hygienic working environment.

There were no non-compliance cases reported in relation to health and safety laws and regulations in the past three years including the Reporting Period. Neither work-related fatalities nor lost days due to work injury was recorded in the mentioned period.

B3. Development and Training

Over 1,700 training hours were provided during the year

We believe that employee investment is essential. The Group recognizes the importance of skills and professional knowledge of the employees to achieve good performance in their designated positions. Training is the most effective way to improve the overall quality of employees and enhance the competitiveness of the Group. To enhance and encourage personal growth of employees, the Group designed training programmes covering various topics stipulated in different ordinances, rules and guidelines including but not limited to, the SFO, the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong), the Listing Rules and Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations and SFC-licensed Virtual Asset Service Providers) issued by the SFC.

The Group pays full attention to the continuous development and updates of relevant laws and regulations, our legal, compliance and internal audit department ("LCIA") and company secretarial department are responsible for gathering information of the relevant regulatory changes and determining the continuous professional training required for relevant employees and Directors respectively to update their knowledge and skills to maintain their professional competence. Latest applicable laws, rules and regulations are also circulated with employees and Directors from time to time.

Besides, we encourage and support our employees in personal and professional training through sponsoring training programs, seminars, workshops and conferences, regular sharing sessions, peer learning and on-the-job coaching, as well as reimbursement for external training course fees. A employee mentorship programme is in place to facilitate communication and coaching between mentors and new staffs. We believe this is a mutually beneficial practice for achieving both personal and corporate goals as a whole.

During the Reporting Period, the Group provided the following training programs to the employees:

Development and training

New Employee Training	**Professional Training**
The Group organized new employee trainings by introducing the history and corporate culture of the Group, as well as functions of respective departments, aiming at helping new staff adapt to the work environment and to settle in.	Invitation of professionals to conduct a series of lectures in relation to popular topics in the financial market, such as market misconduct, risk management, case sharing, compliance training, anti-money laundering and know your client, and corruption prevention and integrity training, etc.

Number of employees trained by gender and employment type during the Reporting Period are as follows:

	Gender	
Number of employees and percentage:	**Male**	**Female**
Hong Kong & Mainland offices	55(100%)	52(100%)

	Employment Category			
Number of employees and percentage:	**Chief Level Executives**	**Senior Management**	**Middle Management**	**General Staff**
Hong Kong & Mainland offices	3(100%)	5(100%)	17(100%)	82(100%)

Total training hours completed by gender and employment type during the Reporting Period are as follows:

	Gender	
Total number of training hours	**Male**	**Female**
Hong Kong & Mainland offices	910.25	863.00

	Employment Category			
Total number of training hours	**Chief Level Executives**	**Senior Management**	**Middle Management**	**General Staff**
Hong Kong & Mainland offices	85.75	116.00	421.25	1,150.25

The average training hours completed by gender and employment type during the Reporting Period are as follows:

Average number of training hours	Gender	
	Male	Female
Hong Kong & Mainland offices	16.55	16.60

Average number of training hours	Employment Category			
	Chief Level Executives	Senior Management	Middle Management	General Staff
Hong Kong & Mainland offices	28.58	23.20	24.78	14.03

B4. Labour Standards

The Group strictly complies with the Employment Ordinance (Cap. 57 of the laws of Hong Kong) in respect of employment in Hong Kong. According to our policy, employment of child and forced labour is strictly prohibited. In addition, all such illegal means as retention of identity cards or passports, intimidation, coercion and undue pressure are strictly prohibited. It is a standard procedure in screening stage that all candidates applying to a position in the Group are required to present their identity documents for inspection and ascertaining their identities, ages and validity of employment status. No employment offer will be made to any candidate whose age is below 18. In the event that any irregularities in ages, identities and/or validities of employment status is subsequently found, employment with all such concerned candidates will be immediately terminated, and the Group will report such incident to the relevant authorities as soon as practicable.

Our policy also protects the right of free choice of employment of any person and ensure all the employment relationship is established on a voluntary basis to prevent forced labour.

The Group is dedicated to eliminating of discrimination and providing equal opportunities to all employees regardless of gender, age, nationality and disability, etc. To ensure the employees understand their rights, the Group formulated an employee handbook covering the area of working hour, compensation and welfare, promotion and termination, and paid leaves, etc. Details of the employee handbook is stated in section B1 – Employment of the ESG Report.

During the Reporting Period, the Group's Hong Kong office and Mainland Offices did not have any cases of material non-compliance with laws and regulations related to the prevention of child labour and forced labour (2023: Nil).

B5. Supply Chain Management

In order to manage the environmental and social risks of the supply chain, and prevent operational risks and protect the interest of the Group, we have formulated a certain policies and management measures and retain a database of qualified suppliers to standardize the selection and management of suppliers and encourage suppliers to maintain a high standard on business ethics and conducts, with satisfactory environmental and social performance.

During the procurement approval process, general purchases must be confirmed that the purchase amount is within the budget, and quotations must be obtained from no less than three qualified suppliers. Contract value exceeding a certain amount must be submitted to the centralized procurement management committee for review and approval in order to safeguard the interest of the Group and assess the potential risks, so as to maintain a fair and competitive procurement process. Regarding the appointment of intermediaries, including four categories of intermediaries: legal intermediaries, assessment intermediaries, audit intermediaries, and rating intermediaries, the governing policy was changed from "Centralized Procurement Approval Management Policy" to "Commonly Used Intermediaries Management Policy" from 29 December 2023 onwards and quotations must be obtained from no less than three qualified intermediaries. Contract value exceeding a certain amount must be submitted to the Company's intermediary selection group for approval, and a post-assessment of the intermediary must be conducted after the intermediary service is completed to safeguard the interest of the Group and assess potential risks, so as to maintain a fair and competitive appointment process. We work closely with our suppliers to maintain strict standards, and expect our suppliers are responsible for the environment, potential suppliers will be given priority if environmental protection is committed. The Group has also formulated environmental protection policies, giving priority to the use and purchase of environmentally friendly products and adopting green procurement principles.

Given the nature of the Group's business, the main supply chain category is the administrative services. We have engaged around 20 suppliers in administrative supply and services and all of which are located in Hong Kong. During the selection and evaluation processes of vendors of administrative supplies and services, we adopt a fair basis with defined assessment criteria on background to ensure that only suppliers with no conflict of interest are qualified. To evaluate the performance of the selected suppliers as well as to minimize the environmental and social risks along the supply chain, regular assessments including but not limited to the professional qualification, services/products quality, financial status, integrity, and social responsibility will be conducted from time to time. When the evaluation result of a supplier is not satisfactory, the supplier will be removed from the approved list.

B6. Products/Services Responsibility

Responsible Investment

The Company's goal is to maximize Shareholders' value in medium to long term. We believe that ESG factors have influence on financial performance of individual company, in both positive and negative ways. Hence, in the process of creating returns, ESG is integrated into not only our operations but also our investment processes for long-term value creation. As a responsible investor, we aim to incorporate ESG aspects in our analysis and investment decisions, and continue to monitor the ESG performance of our investments.

Quality of Services

As a holding company of certain licensed corporations, the Group is committed to complying with all relevant laws and regulations under the regulatory regime of the financial service industry, in particular, all applicable provisions of the SFO and its supplementary rules and regulations as well as the codes and guidelines issued by SFC. The Group complies with the relevant rules, codes and guidelines applicable to the Group.

Client is fundamental to sustainable development of the Group. We have built a trustworthy relationship with our clients by providing high-quality and dedicated services in professional manner. We value every opinion from our clients, and has set up various communication channels including hotline, facsimile and email for clients to give feedback or lodge complaints (if any). We also set up internal procedure to ensure every feedback of the customers will be responded in a timely and impartial manner. The Group strives and continues to meet clients' satisfaction.

We have received high recognition of our service from clients. The Group has not received any major complaints about our services during the Reporting Period.

Protection of Intellectual Property Rights

The Group respects and attaches great importance to intellectual property rights. In order to prevent infringement and enhance copyright protection, a copyright ordinance compliance policy is in place covering the area of installation of computer software, making copies of copyright works or publication and use of internet information, etc.

Protection of Clients' Data

The Group emphasizes the importance of protecting our clients' personal data against unauthorized access, use or loss and we adhere to the PDPO when collecting, processing and using clients' personal data. To safeguard clients' privacy, the Group takes practicable steps to ensure that the clients' data are securely stored and the use of data is limited to or related to the original collection purpose. All documents and electronic materials of the Group are not allowed to circulate with external parties unless authorization is given. The Group respects privacy rights of its Stakeholders with utmost importance. All personal data collected, processed, used, disclosed and retained are subject to the Personal Data Privacy Policy which is prepared by reference to the PDPO. Personal Information Collection Statement will be provided to all candidates pertaining to employment, which sets out the purposes of personal data collection, disclosure, retention and storage.

Since the Group is engaged in financial service business, no tangible products sold or shipped subject to recall for safety and health reasons. Given the nature of its business, neither quality assurance process nor recall procedures are applicable to the Group. There were no non-compliance cases reported in relation to our data privacy and no material complaints received regarding our services that would have significant impact during the Reporting Period.

B7. Anti-corruption

The Group advocates the importance of ethical conduct and is committed to maintaining high standard of integrity and encourages whistleblowing, and such reports are strictly confidential and in anonymity. We aim to maintain the highest standards of openness, uprightness and accountability and all our employees are expected to observe the highest standards of ethical, personal and professional conduct. We do not tolerate corruption, bribery, extortion, money laundering and other fraudulent activities in connection with any of our business operations.

The Company has established and implemented a number of Group-wide governance policies in relation to anti-corruption and whistleblowing, which are subject to review from time to time, to ensure best practices across the organization. The Group's Code of Conduct stipulates that all its staff and account executives must promptly report possible improprieties such as conflict of interest, corruption and bribery or violation of any laws, rules and regulations. Incidents and allegations or suspicions of misconduct will be assessed and investigated by the senior management or the LCIA, and report to the Audit Committee if necessary. The Group's Prevention of Bribery and Prevention of Corruption Policy strictly regulate and restrict employees' activities, such as soliciting or accepting advantages, offering or accepting entertainment or services, and misuse of official position and company information to avoid conflict of interest. In addition, the Whistleblowing Policy encouraged employees to directly access the top management or the LCIA whenever irregularities or fraudulent activities are suspected, and the Group will seriously follow up on complaints related to ethics and integrity and thoroughly investigate suspicious cases. All information received will be kept strictly confidential. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities.

To further strengthen the governance and increase the awareness of anti-corruption, the Group provided comprehensive training and training material to the Directors and employees at all levels. A total of 371 training hours on anti-corruption for employees was recorded in the Reporting Period.

During the Reporting Period, the Group did not receive any report or have any legal case regarding corruption or bribery issues raised against the Group or its employees.

Practice and Policy on Anti-Money Laundering

The Group fully supports the international community drive against serious crime, drug trafficking and terrorism and is committed to assisting the authorities to identify money laundering and terrorist financing transactions. The Group's Anti-Money Laundering ("AML") and Counter-Financing of Terrorism ("CFT") Manual has clearly specified that all employees are obliged to comply with all applicable AML/CFT laws and regulations. In order to safeguard from the use of the Group's services for money laundering and terrorist financing purpose, AML and CFT Manual includes the procedures in conducting customer due diligence and ongoing monitoring on a risk-based approach, suspicious activity reporting and record keeping. AML and CFT Manual is reviewed regularly and updated according to relevant legal and regulatory changes. Internal control review is also carried out regularly to ensure that the AML/CFT procedures are adhered to. There are also compulsory trainings on AML/CFT for all employees to assist them in understanding, implementing and complying with the AML/CFT procedures.

The Group is in compliance with relevant laws and regulations on bribery, extortion, fraud and money laundering. There were no non-compliance cases reported in relation to the above that would have significant impact during the Reporting Period.

B8. Community Investment

As a good corporate citizen, our goal is to build a better society and create long-term value to all Stakeholders by contributing to the community. We promote social contributions amongst the members of the Group to the local communities in which we operate. We place great emphasis on cultivating social responsibility awareness among our employees and have established a volunteer team to promote and encourage employees to better serve our community at work and during leisure time. We value our employees' contributions to the community and recognize those who are passionate about community service. Our focus area of contribution includes environmental protection, social welfare and health, and charitable donation. The Group actively participates in voluntary activities while promoting environmental protection. During the Reporting Period, the total hours of voluntary work in the community service participated by the Group reached 250 hours, and 22 volunteers were involved.

We actively contribute to the community and try to maximize our social investments in order to create a more favorable and sustainable environment for our community and our business. The Group continues to fulfill its corporate social responsibility commitments and has been awarded the "Caring Company" Logo for 19 consecutive years since 2006. Meanwhile, we are committed to promoting environmental protection and actively advocating and supporting community services. We are honored to receive the Hong Kong Awards for Environmental Excellence under the sector of Servicing and Trading (Certificate of Merit) for 14 consecutive years since 2008, the 10th Anniversary Special Award in 2018, and the 15th Anniversary special award – Long Participation Award in 2023. We were also awarded the Hong Kong Volunteer Award – Corporate (Volunteer Hours) Top Ten Highest Hours Award Certificate since 2022. The Group is grateful to all parties for their recognition of our contributions to environmental protection and corporate social responsibility.

Report of the Directors

The Board of Directors of the Company is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATION

The Company is an investment holding company. Principal activities of its subsidiaries are set out in Note 1 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year. An analysis of the Group's performance for the year by business segments is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 61 of this annual report.

No interim dividend has been declared during the year (2023: nil). The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2024 is set out in the sections headed "Management Discussion and Analysis" and "CG Report" respectively of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

Save as disclosed in this annual report, the Company is not aware of any principal risks and uncertainties facing the Company.

EVENTS AFTER THE REPORTING PERIOD

There are no important events affecting the Group after the end of the financial year and up to the date of this annual report.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 23 to the consolidated financial statements.

DEBENTURES

The Group did not issued any debentures during the year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

Report of the Directors

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 65 of this annual report and in Note 24 to the consolidated financial statements.

Distributable reserves of the Company as at 31 December 2024 calculated under the Companies Act 1981 of Bermuda (as amended from time to time) amounted to HK$288,595,000 (2023: HK$60,692,000). Details are set out in Note 24 to the consolidated financial statements.

DONATIONS

During the year, the Group did not make any charitable donations (2023: nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 158 of this annual report.

DIRECTORS

The Directors during the year and up to the date of this report are:

NED

Mr. Zhang Yi	*(Chairman) (re-designated from an ED to a NED on 28 August 2024)*

EDs

Mr. Zhang Xunyuan	*(Chief Executive Officer)*
Ms. Yan Qizhong	*(Chief Financial Officer) (appointed on 2 March 2024)*
Mr. Lau Mun Chung	*(Deputy Chief Executive Officer) (ceased as an ED with effect from 2 March 2024)*

INEDs

Mr. Zheng Minggao	
Ms. Hu Lielei	*(appointed on 27 July 2024)*
Mr. Zhao Guangming	*(appointed on 27 July 2024)*
Mr. Xia Zhidong	*(ceased as an INED with effect from 27 July 2024)*
Mr. Liu Xiaofeng	*(ceased as an INED with effect from 27 July 2024)*

The biographical details of the Directors are disclosed in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

In accordance with Bye-law 84, Mr. Zhang Yi and Mr. Zhang Xunyuan shall retire from office by rotation at the forthcoming AGM and being eligible, offer themselves for re-election.

Pursuant to Bye-law 83(2), any Director appointed by the Board shall hold office until the next following annual general meeting of the Company after his or her appointment and shall be eligible for re-election. Ms. Hu Lielei and Mr. Zhao Guangming have been appointed as INEDs with effect from 27 July 2024. In accordance with Bye-law 83(2), Ms. Hu Lielei and Mr. Zhao Guangming shall hold their offices until the AGM and being eligible offer themselves for re-election.

Report of the Directors

CHANGES IN THE INFORMATION OF DIRECTORS

Changes in information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Zhang Yi was re-designated from ED to NED with effect from 28 August 2024; appointed as the chairman of Cinda Futures Co., Limited* on 7 September 2024; and ceased as the general manager of financial markets department of Cinda Securities with effect from 24 September 2024.

- Ms. Hu Lielei was appointed as a director of SG Investment America and ICON Aircraft on 6 August 2024; and ceased as an independent director of Zhangjiakou Yuanshi Advanced Materials Co., Ltd. on 21 November 2024.

* *English name of the entity is transliteration of its Chinese name for reference only and shall not be regarded as its formal name.*

DIRECTORS' SERVICE CONTRACT

None of the Directors proposed for re-election at the AGM has entered into any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements enabling the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

Save as disclosed in this annual report, no transaction, arrangement or contract of significance to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party, or in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPETING INTEREST

During the year, none of the Directors was interested in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2024, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as was known by the Directors and the chief executives of the Company, the following are details of the persons (other than Directors or chief executives of the Company) who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which need to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions

Name of substantial Shareholders	Capacity	Number of shares or underlying shares interested	Approximate % of the Company's total number of issued shares
Cinda Securities (H.K.)	Beneficial owner	403,960,200 *(Note)*	63.00%
Cinda Securities	Interest through a controlled corporation	403,960,200 *(Note)*	63.00%
China Cinda	Interest through a controlled corporation	403,960,200 *(Note)*	63.00%

Note: These shares were held by Cinda Securities (H.K.). Cinda Securities (H.K.) was wholly-owned by Cinda Securities which was a subsidiary of China Cinda. By virtue of the provisions of the SFO, Cinda Securities and China Cinda were deemed to be interested in all the Shares in which Cinda Securities (H.K.) was interested.

Save as disclosed above, as at 31 December 2024, the Company has not been notified by any persons (other than the Directors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

PERMITTED INDEMNITY PROVISION

The Bye-laws provides that the Directors (whether at present or in the past) shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any Directors.

During the year, a Directors liability insurance is in force to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

For the year ended 31 December 2024, the Group's operations are mainly carried out by the subsidiaries of the Company in Hong Kong and the PRC. The Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

CONNECTED TRANSACTIONS

1. As disclosed in the announcement of the Company dated 27 September 2024, on 27 September 2024, Cinda International (Shanghai) Investment Consulting Co., Ltd. ("Cinda International Shanghai", a then direct wholly-owned subsidiary of the Company) has paid the transaction commission of approximately RMB2,100 (equivalent to approximately HK$2,310) to Cinda Securities (as securities broker of Cinda International Shanghai) in connection with the disposal of RMB20 million (equivalent to approximately HK$22 million) 4.1% preferred Class I asset-backed securities due 12 July 2025 issued by Dazhou City Public Transport Co., Ltd.* (達州市公共交通有限公司) and irrevocably guaranteed by Chengdu Small & Medium Enterprises Credit Assurance Co., Ltd.* (成都中小企業融資擔保有限責任公司) under the Cinda – Dazhou Public Transport Bus Fare Income Rights Green Asset-Backed Special Scheme by Cinda International (Shanghai) on the open market on 27 September 2024.

   As at the date of such transaction, since Cinda Securities was an indirect controlling shareholder of the Company and therefore a connected person of the Company. The payment of the transaction commission constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

2. As disclosed in the announcement of the Company dated 28 October 2024, on 28 October 2024, a transfer agreement dated 28 October 2024 (the "Cinda Lingxian Equity Transfer Agreement") has been entered into between the Company and Guizhou Shengyun Investment Co., Ltd* (貴州盛雲投資有限公司)(the "Purchaser"), pursuant to which the Company agreed to sell and the Purchaser agreed to purchase 50% equity interest of Cinda Lingxian (Shenzhen) Equity Investment Fund Management Limited ("Cinda Lingxian", a then direct wholly-owned subsidiary of the Company) through public tender at a consideration of RMB8.70 million (equivalent to approximately HK$9.57 million).

   As at the date of such transaction, since the Purchaser was an indirect wholly-owned subsidiary of Guizhou Xinfu Investment Co., Ltd * (貴州新福投資有限公司)which was a 30%-controlled company of China Cinda under Chapter 14A of the Listing Rules. As such, the Purchaser is an associate of China Cinda under the Listing Rules and hence a connected person of the Company. The entering into of the Cinda Lingxian Equity Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

   * *English names of the entities are transliteration of their Chinese names for reference only and shall not be regarded as their formal names.*

CONTINUING CONNECTED TRANSACTIONS

On 2 November 2021, the Company entered into a master agreement (the "2021 Master Agreement") with China Cinda, pursuant to which the Group has agreed to provide (i) brokering services for securities, futures and options trading; placing, underwriting and sub-underwriting services for securities ("Category I Services") in return for commissions/service fees ("Category I Transactions"); (ii) corporate finance advisory services ("Category II Services") in return for service fees ("Category II Transactions"); and (iii) asset management services ("Category III Services") in return for service fees ("Category III Transactions") to the China Cinda Group.

The 2021 Master Agreement shall have a term of 3 years commencing from 1 January 2022 and ending on 31 December 2024. The annual caps in respect of each category of transactions contemplated under the 2021 Master Agreement are as follows:

	For the year ending 31 December		
	2022	**2023**	**2024**
	HK$	*HK$*	*HK$*
Category I Transactions	35,000,000	53,000,000	70,000,000
Category II Transactions	12,000,000	12,000,000	15,000,000
Category III Transactions	90,000,000	120,000,000	150,000,000

The Group has followed the pricing policies as set out in the circular of the Company dated 1 December 2021 in respect of the 2021 Master Agreement when determining the price and terms of the transactions contemplated under the 2021 Master Agreement conducted during the year.

In contemplation of the expiry of the 2021 Master Agreement on 31 December 2024 and in view of the intention of the Company to continue certain types of transactions with the China Cinda Group after such expiry, and to facilitate the development of the business of the Group, on 5 November 2024, the Company entered into a new master agreement (the "2024 Master Agreement") with China Cinda in relation to the provision of Category I Services, Category II Services and Category III Services by the Group to the China Cinda Group in return for commissions/service fees.

The 2024 Master Agreement shall have a term of 3 years commencing from 1 January 2025 and ending on 31 December 2027. The annual caps in respect of each category of transactions contemplated under the 2024 Master Agreement are as follows:

	For the year ending 31 December		
	2025	**2026**	**2027**
	HK$	*HK$*	*HK$*
Category I Transactions	16,000,000	22,000,000	32,000,000
Category II Transactions	10,000,000	10,000,000	10,000,000
Category III Transactions	48,000,000	43,000,000	34,000,000

Since members of the China Cinda Group are connected persons of the Company, the transactions contemplated under each of the 2021 Master Agreement and the 2024 Master Agreement constitute continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules. The entering into each of the 2021 Master Agreement and the 2024 Master Agreement was subject to and the Company has complied with the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The terms of the 2021 Master Agreement and 2024 Master Agreement (both including the annual caps) were determined after arm's length negotiations between the parties thereto and will be no less favourable to the Group than terms offered to independent third parties. The Directors, including the INEDs, are of the view that the 2021 Master Agreement and the 2024 Master Agreement were entered into in the ordinary and usual course of business of the Group, on normal commercial terms and the terms of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Ms. Zhu Ruimin, the then Chairman and ED, is a director of Cinda Securities and Mr. Zhang Yi, the chairman of the Board and a NED (who was the then Chief Executive Officer and an ED), also holds management position in Cinda Securities, and therefore were considered having interest in the 2021 Master Agreement and had therefore abstained from voting on the Board resolutions at the time approving the 2021 Master Agreement and the transactions contemplated thereunder. The 2021 Master Agreement was approved by the independent Shareholders of the Company at the special general meeting held on 17 December 2021 with China Cinda Group abstained from voting at the meeting on the relevant resolution.

As Mr. Zhang Yi, being the chairman of the Board and a NED, holds management position in Cinda Securities and Mr. Zhang Xunyuan and Ms. Yan Qizhong, both being an ED, were nominated by Cinda Securities as its representatives in the Board, and therefore were considered having interest in the 2024 Master Agreement and had therefore abstained from voting on the Board resolutions at the time approving the 2024 Master Agreement and the transactions contemplated thereunder. The 2024 Master Agreement was approved by the independent Shareholders of the Company at the special general meeting held on 30 December 2024 with China Cinda Group abstained from voting at the meeting on the relevant resolution.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Directors have received a letter from the auditor containing their findings and conclusions in respect of the continuing connected transactions disclosed above, which the auditors confirmed the matters set out in Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

During the year, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards. Details of these related party transactions are disclosed in Note 36 to the consolidated financial statements. In respect of the Company's material related party transactions set out in Note 36 to the consolidated financial statements, to the extent that they constitute connected transactions and/or continuing connected transactions of the Company under the Listing Rules that apply to it, the Company confirms that it has complied with the requirements under Chapter 14A of the Listing Rules (if applicable).

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

Facility Agreement 1

On 7 July 2016, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$300,000,000 (or its equivalent in US dollars or RMB) revolving term loan facility, together with the supplemental facility letters entered into between the parties on 28 May 2021 and 13 October 2023 respectively, the "Facility Agreement 1".

Pursuant to Facility Agreement 1, if written consent is not obtained from the bank, it shall be an event of default if any undertakings including, among others, the following is or proves to have been untrue or inaccurate in any material respect when made or repeated:

- China Cinda shall directly or indirectly beneficially own at least 50% of shareholding of the Company;
- Cinda Securities shall remain at least 50% owned by China Cinda;
- The Company shall remain at least 50% owned by Cinda Securities.

If an event of default under Facility Agreement 1 occurs, all the obligations of the Company to the bank shall become immediately due and payable on the bank's demand. The loan facility is subject to an annual review by the bank.

As at 31 December 2024, loan amount outstanding under Facility Agreement 1 was RMB209,000,000 (equivalent to HK$222,271,000).

Facility Agreement 2

On 25 October 2017, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$300,000,000 (or its equivalent in US dollars) revolving loan facility, together with the supplemental facility letters entered into between the parties on 27 April 2018, 21 August 2023 and 29 July 2024 respectively, the "Facility Agreement 2", under which certain specific performance obligation was imposed on the controlling Shareholder. The loan facility is subject to an annual review by the bank.

Pursuant to the Facility Agreement 2, it shall be an event of default if any undertakings including the following, among others, is or proves to have been untrue or inaccurate in any material respect when made or repeated:

- The Company shall ensure that the Company will remain more than 50% beneficially owned by Cinda Securities and Cinda Securities will remain a more than 50% beneficially owned subsidiary of China Cinda.
- The Company shall ensure that the State Council of the PRC shall hold directly or indirectly more than 50% shareholding of China Cinda.

If an event of default under the Facility Agreement 2 occurs, the bank may demand repayment in full all outstanding advances together with the interest accrued thereon and all other sums payable by the Company under the Facility Agreement 2.

As at 31 December 2024, loan amount outstanding under Facility Agreement 2 was HK$194,000,000.

Facility Agreement 3

On 27 June 2018, the Company as borrower entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$150,000,000 (or its equivalent in US dollars or RMB) revolving loan facility. On 3 April 2023, a supplemental facility letter to the facility agreement (the facility agreement together with the supplemental facility letter, collectively the "Facility Agreement 3") was entered into between the parties. Pursuant to Facility Agreement 3, as one of the conditions of the loan facility, China Cinda shall maintain directly or indirectly management control over the Company. Upon the breach of any of the conditions, the loan facility is repayable in full on demand by the bank. The loan facility is subject to an annual review by the bank.

As at 31 December 2024, HK$150,000,000 has been drawn under Facility Agreement 3.

Facility Agreement 4

On 7 September 2018, Cinda International Securities Limited ("CISL", a wholly-owned subsidiary of the Company) as borrower and the Company as guarantor entered into a facility agreement with a licensed bank in Hong Kong in relation to a HK$200,000,000 general banking facilities (the "Facility Agreement 4"). As one of the undertakings of the general banking facilities, China Cinda shall remain the single largest beneficiary shareholder (directly or indirectly) of the Company. Breach of any of the conditions will constitute an event of default under the Facility Agreement 4, upon which all amounts (including principal and interest) due or owing by CISL to the bank shall become immediately due and payable. The general banking facilities is subject to an annual review by the bank.

As at 31 December 2024, loan amount outstanding under Facility Agreement 4 was nil.

Facility Agreement 5

On 24 September 2020, the Company as borrower accepted a facility letter (together with the revised facility letter entered into between the parties on 19 September 2023 and 21 February 2025, the "Facility Agreement 5") issued by a licensed bank in Hong Kong, pursuant to which a HK$120,000,000 (or US dollars or RMB equivalent) revolving loan facility would be made available by the bank to the Company subject to the terms and conditions of the Facility Agreement 5. Pursuant to the Facility Agreement 5, default will be triggered if any default events occurred, including breach of any one of the following loan undertakings, among others, (i) China Cinda shall directly or indirectly hold or control not less than 50% shareholding of the Company; and (ii) the State Council of the PRC shall directly or indirectly hold or control not less than 50% shareholding of China Cinda. The bank may demand repayment in full all outstanding advances together with the interest accrued thereon and all other sums payable by the Company under the Facility Agreement 5 if default is being triggered. The loan facility is subject to an annual review by the bank.

As at 31 December 2024, loan amount outstanding under Facility Agreement 5 was nil.

Facility Agreement 6

On 10 February 2022, the Company as borrower confirmed its acceptance of the facility letter (together with the revised facility letter entered into between parties on 26 February 2025, the "Facility Agreement 6") issued by a licensed bank in Hong Kong. Pursuant to the Facility Agreement 6, the bank agreed to make available to the Company an US$40,000,000 (or its equivalent in Hong Kong dollars or RMB) revolving loan facility. Pursuant to the Facility Agreement 6, default will be triggered if events of default occurred, including breach of any one of the following loan undertakings, among others: (i) China Cinda shall hold beneficially not less than 50% of the shareholding interest in Cinda Securities; (ii) Cinda Securities shall hold beneficially not less than 50% of the shareholding interest in the Company; and (iii) the State Council or Ministries of the PRC shall hold beneficially not less than 50% of the shareholding interest in China Cinda. If an event of default under the Facility Agreement 6 occurs, the bank may demand immediate repayment of all outstanding amounts and require provision of immediate cash cover (in the amount notified by the bank) for any future or contingent liabilities. The loan facility is subject to an annual review by the bank.

As at 31 December 2024, loan amount outstanding under Facility Agreement 6 was nil.

Report of the Directors

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

TAX RELIEF

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

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.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of turnover for the year attributable to the Group's major customers are as follows:

–	the largest customer	4.41%
–	the five largest customers combined	14.49%

As at 31 December 2024, the largest customer is an Independent Third Party. The subsequent four largest customers consisted of two corporations controlled by the ultimate holding company of the Company and two Independent Third Parties. Saved as disclosed, at no time during the year have the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued Shares) had any interests in these major customers.

As the Group is engaged in the provision of financial services, the Directors are of the opinion that giving information on suppliers would be of limited or no value.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2024.

As at 31 December 2024, the Company did not have any treasury shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that was publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

Report of the Directors

AUDITOR

Following the retirement of Ernst & Young at the 2023 annual general meeting (i.e. 27 June 2023), Baker Tilly Hong Kong Limited was appointed as the external independent auditor of the Company from the conclusion of the said annual general meeting.

Following the retirement of Baker Tilly Hong Kong Limited at the 2024 annual general meeting (i.e. 27 June 2024), BDO was appointed as the external independent auditor of the Company from the conclusion of such annual general meeting. The consolidated financial statements of the Company for the year ended 31 December 2024 have been audited by BDO. BDO shall retire and being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of BDO as auditor of the Company will be proposed at the AGM.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ESG Report is set out on pages 27 to 43 of this annual report.

Discussions of the Group's environmental policies and performance and key relationships with its stakeholders (including employees, customers and suppliers and others that have a significant impact on the Group) form part of this report and are contained in the ESG Report.

By order of the Board

Zhang Yi
Chairman

25 March 2025

Independent Auditor's Report

To the shareholders of Cinda International Holdings Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Cinda International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 157, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter

Impairment assessment on debt instruments measured at fair value through other comprehensive income and margin loans arising from securities brokering

As of 31 December 2024, the Group's net carrying amount of debt instruments measured at fair value through other comprehensive income ("FVOCI") and margin loans amounted to HK$619 million (2023: HK$225 million) and HK$61.7 million (2023: HK$133 million) respectively, representing 33.2% and 3.3% of the Group's total assets.

The Group applies the expected credit loss ("ECL") model to assess the allowance for ECLs of debt instruments measured at FVOCI and margin loans. As of 31 December 2024, the impairment provision for debt instruments measured at FVOCI and margin loans arising from securities brokering was HK$1.8 million (2023: HK$4.8 million) and HK$29.4 million (2023: HK$13.8 million), respectively.

The determination of ECLs involves identification of loss stages, estimates of probability of default, loss given default, exposures at default, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of these parameters and the application of the assumptions.

We identified the impairment of debt instruments measured at FVOCI and margin loans as a key audit matter due to the involvement of significant management judgements, estimates and assumptions in the ECLs measurement.

Our procedures in relation to the impairment assessment on debt instruments measured at fair value through other comprehensive income and margin loans included:

- Evaluating the design and testing the implementation and operating effectiveness of key internal controls over the approval, recording and credit monitoring of financial instruments subject to ECLs;
- Reviewing documentation and discussing with the Group's management to understand and assess the methodology applied in the ECL model; and
- Assessing the reasonableness and appropriateness of the Group's determination of significant increases in credit risk and their basis for classification of exposures into the 3 stages as required by HKFRS 9.

Involving an auditor's expert to assist us in evaluating and assessing the appropriateness of the assessment methodologies and the reasonableness of the key assumptions and estimations used in the assessment

Additionally, for the estimation of the ECL of debt instruments classified as FVOCI, we:

- Evaluated the ECL model design for debt instruments measured at FVOCI and the assumptions, information and parameters used in the model, such as probability of default, loss given default, and exposure at default, by comparing them with commonly used valuation techniques in the market.

Additionally, for the estimation of the ECLs of margin loans, we:

- Assessed, on a sample basis, the price volatility of underlying pledged collaterals for margin loans by agreeing to external data sources.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter

Equity accounting for investment in Sino-Rock Investment Management Company Limited

The Group owns a 27.59% interest in Sino-Rock Investment Management Company Limited ("Sino-Rock"), a company incorporated in Hong Kong which primarily engages in investment management and investment holding.

The Group accounts for its interest in Sino-Rock using the equity method and its share of profit from Sino-Rock for the year ended 31 December 2024 was HK$14.8 million (2023: HK$20.7 million). As of 31 December 2024, the Group's share of Sino-Rock's net assets was HK$304.3 million (2023: HK$292.1 million), accounting for 16.3% of the Group's total assets.

Sino-Rock is audited by another independent auditor (the "Sino-Rock Auditor"). Sino-Rock's financial assets of HK$700.4 million are categorised as Level 3 under the fair value hierarchy, representing 56.1% of Sino-Rock's total assets as at 31 December 2024. The valuation of these Level 3 financial instruments involves significant unobservable input and with the assistance from an external specialist, Sino-Rock's management used valuation techniques to determine the fair value of the Level 3 financial instruments that are not quoted in active markets.

We identified the equity accounting for Sino-Rock as a key audit matter due to the significance of balance, level of judgement and degree of complexity involved in the valuations.

Our procedures in relation to the equity accounting for investment in Sino-Rock included:

- Obtaining the financial information from Sino-Rock's management to assess the significance of the financial impacts of the Level 3 financial instruments to the consolidated financial statements of the Group and design our audit procedures accordingly;

- Holding meetings with Sino-Rock's management to discuss about the financial performance and critical judgements over the Level 3 financial instruments;

- Evaluating the competence, capability, independence and objectivity of the Sino-Rock Auditor;

- Communicating with the Sino-Rock Auditor regarding the overall risk assessment, and the identification of areas of audit focus through conference call meetings;

- Reviewing the reply to audit instructions by the Sino-Rock Auditor on the audit procedures performed to address the fair value measurement of the Level 3 financial instruments in respect of its evaluation of the valuation techniques, inputs, assumptions and the judgements applied by management, evaluating the sufficiency and appropriateness of the audit work performed and evidence obtained by the Sino-Rock Auditor.

- With the assistance from auditor's expert, reviewing the fair value of the Level 3 financial instruments on a sample basis and assessing the reasonableness of the valuation results as concluded by Sino-Rock's management and the Sino-Rock Auditor.

Independent Auditor's Report

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 26 March 2024.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

BDO Limited
Certified Public Accountants

Choi Kit Ying
Practising Certificate Number: P07387

Hong Kong, 25 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Revenue	5	**191,885**	141,224
Other income	5	**5,947**	12,067
Other losses, net	5	**(25,931)**	(16,904)
		171,901	136,387
Staff costs	6	**55,197**	61,809
Commission expenses		**7,634**	5,455
Impairment losses on financial assets	7(a)	**17,509**	13,262
Other operating expenses	7(b)	**50,796**	54,059
Finance costs	8	**30,450**	26,325
		161,586	160,910
		10,315	(24,523)
Share of profits of associates, net	18	**20,700**	24,355
Profit/(loss) before taxation		**31,015**	(168)
Income tax expense	9	**(20,680)**	(12,681)
Profit/(loss) for the year attributable to equity holders of the Company		**10,335**	(12,849)
Basic and diluted earnings/(loss) per share attributable to equity holders of the Company	11	**HK1.61 cents**	HK(2.00) cents

The notes on pages 67 to 157 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
Profit/(loss) for the year	**10,335**	(12,849)
Other comprehensive (expenses)/income for the year:		
Items that may be reclassified subsequently to profit or loss:		
Debt instruments at fair value through other comprehensive income:		
– changes in fair value	**(25,987)**	28,591
– impairment (losses)/reversal included in profit or loss	**(2,883)**	7,837
– reclassification adjustments upon disposals	**(130)**	(24,492)
	(29,000)	11,936
Share of investment revaluation reserve of associates	**–**	885
Net movement in investment revaluation reserve	**(29,000)**	12,821
Exchange differences on translation of foreign operations	**(2,094)**	(4,649)
Released exchange reserve upon disposal of subsidiaries	**14,586**	–
Share of exchange reserve of associates	**1,836**	(3,303)
Net movement in exchange reserve	**14,328**	(7,952)
Other comprehensive (expense)/income for the year, net of nil income tax	**(14,672)**	4,869
Total comprehensive expense for the year attributable to equity holders of the Company	**(4,337)**	(7,980)

The notes on pages 67 to 157 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Intangible assets	12	**1,439**	1,439
Property and equipment	13	**5,595**	7,671
Financial assets at fair value through profit or loss	15	**–**	30,690
Right-of-use assets	16	**7,380**	26,804
Interests in joint ventures	17	**29,388**	–
Interests in associates	18	**430,328**	449,646
Other assets	19	**8,744**	11,300
Deferred tax assets	20(b)	**63**	141
		482,937	527,691
Current assets			
Debt instruments at fair value through other comprehensive income	14	**619,114**	224,794
Financial assets at fair value through profit or loss	15	**11,672**	41,558
Amounts due from joint ventures	17	**149,402**	–
Trade and other receivables	21	**312,851**	320,647
Pledged bank deposits	22	**12,758**	12,447
Bank balances and cash	22	**275,460**	519,331
		1,381,257	1,118,777
Current liabilities			
Trade and other payables	25	**214,800**	184,675
Borrowings	26	**706,566**	484,808
Tax payable	20(a)	**40**	8,207
Lease liabilities	16	**6,992**	18,364
		928,398	696,054
Net current assets		**452,859**	422,723
Total assets less current liabilities		**935,796**	950,414

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Capital and reserves			
Share capital	*23*	**64,121**	64,121
Other reserves		**428,071**	442,743
Retained earnings		**443,604**	433,269
Total equity attributable to equity holders of the Company		**935,796**	940,133
Non-current liabilities			
Lease liabilities	*16*	**–**	10,281
		935,796	950,414

Approved and authorised for issue by the Board of Directors on 25 March 2025 and signed on its behalf by:

Zhang Xunyuan	**Yan Qizhong**
Executive Director	*Executive Director*

The notes on pages 67 to 157 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to equity holders of the Company						
	Share capital *HK$'000*	Share premium* *HK$'000*	Capital reserve* *HK$'000*	Investment revaluation reserve* *HK$'000*	Exchange reserve* *HK$'000*	Retained earnings *HK$'000*	Total equity *HK$'000*
At 1 January 2023	64,121	421,419	42,879	(8,653)	(17,771)	446,118	948,113
Loss for the year	–	–	–	–	–	(12,849)	(12,849)
Other comprehensive income/(expense)	–	–	–	12,821	(7,952)	–	4,869
Total comprehensive income/(expense) for the year	–	–	–	12,821	(7,952)	(12,849)	(7,980)
At 31 December 2023 and 1 January 2024	**64,121**	**421,419**	**42,879**	**4,168**	**(25,723)**	**433,269**	**940,133**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**10,335**	**10,335**
Other comprehensive income/(expense)	**–**	**–**	**–**	**(29,000)**	**14,328**	**–**	**(14,672)**
Total comprehensive income/(expense) for the year	**–**	**–**	**–**	**(29,000)**	**14,328**	**10,335**	**(4,337)**
At 31 December 2024	**64,121**	**421,419**	**42,879**	**(24,832)**	**(11,395)**	**443,604**	**935,796**

* These reserve accounts comprise the other reserves of HK$428,071,000 (2023: HK$442,743,000) in the consolidated statement of financial position.

The notes on pages 67 to 157 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Net cash (used in)/generated from operating activities	31(a)	**(16,056)**	55,057
Cash flows from investing activities			
Purchase of property and equipment	13	**(1,363)**	(1,370)
Proceeds from disposal of property and equipment		**–**	13
Purchase of debt instruments at fair value through other comprehensive income		**(667,449)**	(289,183)
Proceeds from disposal of debt instruments at fair value through other comprehensive income		**262,665**	181,793
Purchase of financial assets at fair value through profit or loss		**(11,700)**	(20,063)
Proceeds from disposal of financial assets at fair value through profit or loss		**26,640**	14,123
Net cash outflows from disposal of subsidiaries	35	**(78,046)**	–
Dividend from associates	18	**41,854**	3,036
Interest received from investments		**20,619**	11,895
Net cash used in from investing activities		**(406,780)**	(99,756)
Cash flows from financing activities			
Repayments of lease liabilities	16	**(19,116)**	(22,944)
Proceeds from bank borrowings		**975,815**	378,217
Repayment of bank borrowings		**(699,183)**	(370,100)
Proceeds from borrowings under repurchase agreements		**43,516**	204,659
Repayment of borrowings under repurchase agreements		**(98,390)**	(175,356)
Repayment of bonds issued		**–**	(10,000)
Interest paid		**(26,721)**	(23,514)
Net cash generated from/(used in) financing activities		**175,921**	(19,038)
Net decrease in cash and cash equivalents		**(246,915)**	(63,737)
Cash and cash equivalents at the beginning of the year		**519,331**	587,044
Effect of foreign exchange rate changes, net		**3,044**	(3,976)
Cash and cash equivalents at the end of the year	22	**275,460**	519,331
Analysis of balances of cash and cash equivalents:			
Bank balances – general accounts and cash in hand	22	**275,460**	519,331

The notes on pages 67 to 157 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

1. CORPORATE AND GROUP INFORMATION

The principal activity of the Company is investment holding.

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

These consolidated financial statements are presented in Hong Kong dollars unless otherwise stated, which is also the functional currency of the Company. These consolidated financial statements have been approved for issue by the Board of Directors on 25 March 2025.

General information of subsidiaries

Particulars of the subsidiaries of the Company at the end of the reporting period are set out below:

Name	Place of incorporation and operation	Particulars of issued share capital/ share capital held	Interest held directly		Principal activities
			2024	2023	
Cinda International Capital Limited	Hong Kong	HK$54,000,100 ordinary shares and HK$21,000,000 non-voting deferred shares	**100%**	100%	Corporate finance services
Cinda International Securities Limited	Hong Kong	HK$220,000,100 ordinary shares and HK$50,000,000 non-voting deferred shares	**100%**	100%	Securities brokering and margin financing services
Cinda International Futures Limited	Hong Kong	HK$70,000,100 ordinary shares and HK$10,000,000 non-voting deferred shares	**100%**	100%	Commodities and futures brokering
Cinda International Asset Management Limited	Hong Kong	HK$33,500,100 ordinary shares and HK$2,000,000 non-voting deferred shares	**100%**	100%	Asset management
Chinacorp Nominees Limited	Hong Kong	HK$100 ordinary shares and HK$10,000 non-voting deferred shares	**100%**	100%	Provision of administrative support services
Cinda (BVI) Limited	British Virgin Islands/ Hong Kong	US$7 ordinary shares	**100%**	100%	Investment holding

(Expressed in Hong Kong dollars)

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

General information of subsidiaries (Continued)

Particulars of the subsidiaries of the Company at the end of the reporting period are set out below: (Continued)

Name	Place of incorporation and operation	Particulars of issued share capital/ share capital held	Interest held directly		Principal activities
			2024	2023	
Cinda International Research Limited	Hong Kong	HK$1,000,000 ordinary shares	**100%**	100%	Provision of research services
盛雲達(上海)投資諮詢有限公司 ("盛雲達") (formerly known as "信達國際(上海)投資諮詢有限公司") *(note)*	The People's Republic of China (The "PRC")	RMB20,000,000	**N/A** *(note 17)*	100%	Provision of consultancy services
Cinda International GP Management Limited	Cayman Islands/ Hong Kong	US$1 ordinary share	**100%**	100%	Asset management
盛達領先(深圳)私募股權基金管理有限公司("盛達領先") (formerly known as "信達領先(深圳)股權投資基金管理有限公司") *(note)*	The PRC	RMB13,000,000	**N/A** *(note 17)*	100%	Provision of consultancy services

Note: 盛雲達 and 盛達領先 were limited liability companies and wholly-foreign-owned enterprises registered under the PRC law. During the year ended 31 December 2024, the Group has disposed 50% equity interests in 盛雲達 and 盛達領先 respectively and both 盛雲達 and 盛達領先 became joint ventures of the Group *(note 17)*.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term include 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"), and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at their fair value.

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

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

2.3 Basis of consolidation

Subsidiaries and non-controlling interests

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (Continued)

Subsidiaries and non-controlling interests (Continued)

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and the cumulative exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (Continued)

Investments in associates and joint ventures (Continued)

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 Segment reporting

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

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2.5 Foreign currencies

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.6 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease periods or 5 years if shorter
Furniture and fixtures	20%
Computer software	Over the technological life or 5 years if shorter
Office & computer equipment	20%
Motor vehicles	20%

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Property and equipment (Continued)

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.7 Intangible assets

Trading rights

Trading rights held in The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited (the "Stock Exchange trading rights" and "Futures Exchange trading right" respectively) are classified as intangible assets. Trading rights have an indefinite useful life and are carried at cost less accumulated impairment losses (see note 2.8). The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

The useful life of the trading rights is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is account for on a prospective basis.

Club membership

Club membership is classified as intangible assets. Club membership has an indefinite useful life and is carried at cost less accumulated impairment losses (see note 2.8).

2.8 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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 charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

2.9 Investments and other financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15") in accordance with the policies set out in note 2.17 below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (Continued)

(b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (trade and other receivables and other assets)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For the debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the consolidated statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial instruments held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (Continued)

(c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

– the rights to receive cash flows from the asset have expired; or

– the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(d) Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (Continued)

(d) Impairment (Continued)

General approach (Continued)

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt instruments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt instruments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt instruments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Investments and other financial assets (Continued)

(d) Impairment (Continued)

Simplified approach

For trade and other receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.10 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings.

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables and borrowings)

After initial recognition, trade and other payables and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Financial liabilities (Continued)

(b) Subsequent measurement (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in note 2.9(d); and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss.

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Fair value measurement

The Group measures its equity investments and certain debt instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.13 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.14 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

– in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

– when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary operates in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute 5% of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

2.17 Revenue recognition

(a) 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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Revenue recognition (Continued)

(a) Revenue from contracts with customers (Continued)

Provision of securities and futures brokering service

The Group earns fee and commission income from securities and futures brokering services, which the Group provides to the customers. Fee and commission income are recognised when the transactions are completed. The performance obligation is satisfied at a point in time when the customer has obtained control of the service, generally when the trades are executed. Commission and handling income on securities and futures dealing and brokering is generally due within two days after trade date.

Provision of corporate finance service

The Group provides services to companies listed or seeking listing in Hong Kong or other stock exchanges and other unlisted corporates, on both equity and debt financing. Recognition of sponsor fee income at a point in time or over time depends on the specific terms in the contract with the customer and the enforceability of the contract terms. In determining the timing of satisfaction of the performance obligation, the Group examines its services on a contract by contract basis and considers if it has a right to payment at an amount that reasonably compensates it for its performance completed to date at all times throughout the contract. For sponsor fee income recognised at a point in time, the fee income will only be recognised when all the relevant duties of a sponsor as stated in the contract are completed. For sponsor fee income recognised over time, the Group measures the progress using the output method and estimates the percentage of completion by key tasks performed to date. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depicts the Group's performance in transferring control of goods or services.

The Group also provides other corporate finance advisory services, and the recognition of advisory fee income at a point in time or over time depends on the performance obligation of the contract. The performance obligations for certain corporate finance advisory services are fulfilled when all the relevant duties of the Group as stated in the contract are completed. Certain corporate finance advisory services' performance obligations are satisfied as services rendered if the customer simultaneously receives and consumes the benefits provided by the Group. The Group measures the progress using the output method and estimates the percentage of completion by key tasks performed to date. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depicts the Group's performance in transferring control of goods or service.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Revenue recognition (Continued)

(a) Revenue from contracts with customers (Continued)

Provision of asset management service

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year or less, or are billed based on the time incurred.

Provision of underwriting and placement service

The performance obligation is satisfied upon the completion of the offering of the securities.

(b) Revenue from other sources

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

2.18 Leases

The Group assesses at contract inception whether a 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.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

2.20 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 of 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. If the Group is itself such a plan, the sponsoring employers are also 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 parent of the Group.

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.

2.21 Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Government grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

2.23 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.24 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these consolidated financial statements for the current accounting period:

Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")
Amendment to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

(a) Amendments to HKFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's financial statements.

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below: (Continued)

(b) Amendments to HKAS 1 - Classification of Liabilities as Current or Non-current

The amendments to HKAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's financial statements.

(c) Amendments to HKAS 7 and HKFRS 7 - Supplier Finance Arrangements

The amendments to HKAS 7 Statement of Cash Flows and HKFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments had no impact on the Group's financial statements.

4. ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

(i) Significant influence over CPI Absolute Return Fund ("CPIAR Fund")

Note 18 describes that CPIAR Fund is an associate of the Group. The assessment was made taking into account that (a) the Group has 16.43% (2023: 16.61%) ownership in CPIAR Fund, (b) the Group has significant influence over the investment manager of CPIAR Fund and (c) the Group is the investment advisor which holds the licence to perform regulatory activities – asset management under the SFO of CPIAR Fund which give it significant influence over CPIAR Fund.

Details of CPIAR Fund are set out in note 18.

(ii) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Deferred tax assets

Deferred tax assets are recognised for tax losses not yet used, temporary deductible differences arising from depreciation of non-current assets and impairment of assets. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. Further details are available in note 20(b) to the consolidated financial statements.

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty

The significant sources of estimation uncertainty are as follows:

(i) Estimation of fair values

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. For unlisted investments held by the Group and the Group's associate, where direct market prices in an active market are not available, the fair value of such instruments is calculated on the basis of valuation techniques using current market parameters. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. In particular, the fair value is a theoretical value applicable at a given reporting date, and hence cannot be used as an indicator of value realisable in a future sale.

(ii) Provision for expected credit losses on financial instruments under HKFRS 9 Financial Instruments ("HKFRS 9")

The Group uses an expected credit loss model to calculate ECLs for financial instruments under HKFRS 9. For margin loans arising from securities brokering, with a large number of diversified customers and no similar credit rating benchmark, the provision rates are based on historical data on default cases of the Group with adjustment to reflect the price volatility of the underlying pledged collateral, as appropriate. For debt instruments measured at fair value through other comprehensive income, the provision rates are based on the estimated probability of default of companies with similar credit ratings, with adjustment to reflect the current conditions and forward-looking information, such as forecasts of future economic conditions, as appropriate. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the probability of default rates are adjusted. At each reporting date, the parameters are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among the probability of default rates, forward-looking information and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances. The Group's expected credit loss may not be representative of the actual default in the future. The information about the ECLs on the Group's financial instruments is disclosed in notes 14 and 21 to the consolidated financial statements.

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty (Continued)

The significant sources of estimation uncertainty are as follows: (Continued)

(iii) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION

	2024 ***HK$'000***	2023 *HK$'000*
Revenue		
Revenue from contracts with customers		
Fees and commission		
– Asset management	**13,888**	8,772
– Sales and trading business	**23,207**	22,355
– Corporate finance	**4,917**	10,468
	42,012	41,595
Underwriting income and placing commission		
– Corporate finance	**42,749**	8,757
Management fee and service fee income		
– Asset management	**42,219**	47,356
	126,980	97,708
Revenue from other sources		
Interest income		
– Asset management	**965**	905
– Sales and trading business	**24,759**	26,996
– Corporate finance	**450**	–
– Others	**707**	575
	26,881	28,476
Investment income	**38,024**	15,040
	191,885	141,224

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Analysis of the disaggregate revenue from contracts with customers by major service lines is as follows:

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
For the year ended 31 December 2024				
Type of services				
Brokering service	–	23,207	–	23,207
Underwriting and placing service	–	–	42,749	42,749
Corporate finance service	–	–	4,917	4,917
Asset management service	56,107	–	–	56,107
Total revenue from contracts with customers	56,107	23,207	47,666	126,980
Geographical markets				
Hong Kong	11,139	23,207	47,666	82,012
Mainland China	44,968	–	–	44,968
Total revenue from contracts with customers	56,107	23,207	47,666	126,980
Timing of revenue recognition				
At a point in time	–	23,207	44,945	68,152
Over time	56,107	–	2,721	58,828
Total revenue from contracts with customers	56,107	23,207	47,666	126,980

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Analysis of the disaggregate revenue from contracts with customers by major service lines is as follows: (Continued)

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Total *HK$'000*
For the year ended 31 December 2023				
Type of services				
Brokering service	–	22,355	–	22,355
Underwriting and placing service	–	–	8,757	8,757
Corporate finance service	–	–	10,468	10,468
Asset management service	56,128	–	–	56,128
Total revenue from contracts with customers	56,128	22,355	19,225	97,708
Geographical markets				
Hong Kong	15,855	22,355	19,225	57,435
Mainland China	40,273	–	–	40,273
Total revenue from contracts with customers	56,128	22,355	19,225	97,708
Timing of revenue recognition				
At a point in time	–	22,355	11,206	33,561
Over time	56,128	–	8,019	64,147
Total revenue from contracts with customers	56,128	22,355	19,225	97,708

The following table shows the amounts of revenue recognised in current reporting period that were included in the deferred revenue at the beginning of the reporting period:

	2024 ***HK$'000***	2023 *HK$'000*
Revenue recognised that was included in deferred revenue at the beginning of the reporting period:		
Corporate finance service	**3,922**	253

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

The Group applied the practical expedient for contracts with original expected duration less than one year and did not disclose the aggregate amount of transaction price allocated to performance obligations of the brokering, underwriting and placing, corporate finance and asset management services that are unsatisfied (or partly unsatisfied). The performance fee arising from asset management services which are constrained as at 31 December 2024 and 2023 has been excluded from the transaction price and hence not disclosed.

	2024	2023
	HK$'000	*HK$'000*
Other income		
Investment income	**4,188**	6,394
Government grants *(note)*	**1,576**	5,446
Others	**183**	227
	5,947	12,067

Note: The Group received government grants to support enterprises in business innovation and corporate transformation in Shanghai, Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

	2024	2023
	HK$'000	*HK$'000*
Other losses, net		
Net exchange losses	**(10,011)**	(3,947)
Gain/(loss) on disposal of financial assets at fair value through profit or loss, net	**33**	(1,334)
Gain on disposal of debt instruments at fair value through other comprehensive income, net	**111**	–
Loss from changes in fair value of financial assets at fair value through profit or loss, net	**(29)**	(11,623)
Loss on disposal of subsidiaries *(note 35)*	**(16,034)**	–
Loss on disposal of property and equipment	**(1)**	–
	(25,931)	(16,904)

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Segment information

The Group manages its businesses by divisions. Under HKFRS 8 *Operating* Segments, and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. Asset management – provision of advisory services and related auxiliary services on fund management, managing private funds and providing other related proprietary investment.

2. Sales and trading business – provision of brokering services in securities, equity-linked products, unit trusts and stock options commodities and futures contracts traded in Hong Kong and selected overseas markets, underwriting, placing and margin financing services to those brokering clients.

3. Corporate finance – provision of corporate finance services including underwriting and advisory services to companies listed or seeking listing in Hong Kong or other stock exchanges and other unlisted corporates, on both equity and debt financing.

4. Fixed income investment – complementing bond underwriting business and investing in Chinese-funded offshore bonds, with hold-to-maturity as the key investment strategy.

The Group's senior executive management monitors the assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates and joint ventures and other unallocated head office and corporate assets. Segment liabilities include trade payables, accruals and borrowings attributable to the operating activities of the individual segments with the exception of unallocated head office and corporate liabilities.

The measures used for reporting segment results are earnings before finance costs and taxes ("EBIT"). Inter-segment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices. To arrive at the Group's loss for the year, the Group's reportable segment results are further adjusted for items not specifically attributed to individual segments, such as share of profits of associates and joint ventures, finance costs, other head office expenses and other income.

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Year ended 31 December 2024

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

	Asset management HK$'000	Sales and trading business HK$'000	Corporate finance HK$'000	Fixed income investment HK$'000	Total HK$'000
Revenue from external customers	53,746	47,966	48,116	38,736	188,564
Revenue from an associate *(note (i))*	3,301	–	–	–	3,301
Reportable segment revenue	57,047	47,966	48,116	38,736	191,865
Reportable segment results (EBIT)	21,432	(20,887)	26,449	16,573	43,567
Other segment information					
Interest income from bank deposits	940	15,335	450	–	16,725
Interest expense	(2,476)	(7,509)	–	(19,713)	(29,698)
Depreciation of property and equipment	(290)	(790)	(10)	–	(1,090)

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Asset management HK$'000	Sales and trading business HK$'000	Corporate finance HK$'000	Fixed income investment HK$'000	Total HK$'000
Reportable segment assets	124,485	427,380	22,783	619,400	1,194,048
Additions to non-current segment assets during the year *(note (ii))*	6	2,754	–	–	2,760
Reportable segment liabilities	105,711	192,620	11,951	444,390	754,672

Notes:

(i) The revenue represents service fee income received by the Group from an associate. See note 36(ii).

(ii) Additions to non-current segment assets consist of property and equipment and other assets.

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Year ended 31 December 2023

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

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Fixed income investment *HK$'000*	Total *HK$'000*
Revenue from external customers	54,083	49,351	19,225	15,040	137,699
Revenue from an associate *(note (i))*	2,951	–	–	–	2,951
Reportable segment revenue	57,034	49,351	19,225	15,040	140,650
Reportable segment results (EBIT)	15,920	(7,377)	(4,550)	1,655	5,648
Other segment information					
Interest income from bank deposits	883	13,238	–	–	14,121
Interest expense	(3,644)	(13,030)	(8)	(8,172)	(24,854)
Depreciation of property and equipment	(336)	(1,053)	(33)	–	(1,422)

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Asset management *HK$'000*	Sales and trading business *HK$'000*	Corporate finance *HK$'000*	Fixed income investment *HK$'000*	Total *HK$'000*
Reportable segment assets	411,842	406,999	25,852	242,389	1,087,082
Additions to non-current segment assets during the year *(note (ii))*	44	241	–	–	285
Reportable segment liabilities	346,803	151,533	5,714	157,745	661,795

Notes:

(i) The revenue represents service fee income received by the Group from an associate. See note 36(ii).

(ii) Additions to non-current segment assets consist of property and equipment and other assets.

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable revenue

	2024 HK$'000	2023 HK$'000
Revenue		
Reportable segment revenue	**191,865**	140,650
Unallocated head office and corporate revenue	**20**	574
Consolidated revenue	**191,885**	141,224

Reconciliations of reportable results

	2024 HK$'000	2023 HK$'000
Results		
Reportable segment profit (EBIT)	**43,567**	5,648
Share of profits of associates, net	**20,700**	24,355
Finance costs	**(30,450)**	(26,325)
Unallocated head office and corporate expenses	**(2,802)**	(3,846)
Consolidated profit/(loss) before taxation	**31,015**	(168)
Income tax expense	**(20,680)**	(12,681)
Profit/(loss) for the year	**10,335**	(12,849)

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Reconciliations of reportable assets and liabilities

	2024 *HK$'000*	2023 *HK$'000*
Assets		
Reportable segment assets	**1,194,048**	1,087,082
Elimination of inter-segment receivables	**(4,529)**	(5,684)
	1,189,519	1,081,398
Interests in joint ventures	**29,388**	–
Interests in associates	**430,328**	449,646
Deferred tax assets	**63**	141
Unallocated head office and corporate assets	**214,896**	115,283
Consolidated total assets	**1,864,194**	1,646,468
Liabilities		
Reportable segment liabilities	**754,672**	661,795
Elimination of inter-segment payables	**(4,529)**	(461)
	750,143	661,334
Tax payable	**40**	8,207
Unallocated head office and corporate liabilities	**178,215**	36,794
Consolidated total liabilities	**928,398**	706,335

5. REVENUE, OTHER INCOME, OTHER LOSSES AND SEGMENT INFORMATION (CONTINUED)

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers (including its associates) and (ii) the Group's property and equipment, intangible assets, right-of-use assets, other assets, interests in joint ventures and interests in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of property and equipment; and the location of the core operations in the case of other specified non-current assets.

	Revenue from external customers		Specified non-current assets	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**143,209**	96,974	**149,180**	205,244
Mainland China	**45,355**	40,725	**333,695**	291,616
	188,564	137,699	**482,875**	496,860

No customers (2023: nil) contributed over 10% to the total revenue of the Group during the year.

6. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

		2024	2023
	Note	***HK$'000***	*HK$'000*
Salaries and allowances		**52,453**	58,779
Defined contribution plans	*27*	**2,744**	3,030
		55,197	61,809

7(a). IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	2024	2023
	HK$'000	*HK$'000*
Impairment loss on financial assets under expected credit loss model, net of reversal		
– debt instruments at fair value through other comprehensive income *(note 14)*	**(2,883)**	7,837
– trade and other receivables *(note 21)*	**20,252**	5,425
– amount due from joint ventures *(note 17)*	**140**	–
	17,509	13,262

7(b). OTHER OPERATING EXPENSES

	2024	2023
	HK$'000	*HK$'000*
Advertising and promotion	**–**	898
Auditors' remuneration	**1,077**	911
Advisory fee expenses	**3,948**	832
Bank charges	**1,014**	268
Data service fee	**6,541**	7,037
Depreciation of property and equipment *(note 13)*	**2,929**	3,293
Depreciation of right-of-use assets *(note 16)*	**16,646**	20,293
Employee relation expense	**526**	311
Entertainment	**497**	796
Insurance	**2,798**	2,413
Legal and professional fee	**2,289**	1,079
Printing and stationery fee	**317**	767
Property management and other related fee	**2,703**	3,257
Repair and maintenance fee	**3,249**	4,104
Service fee	**1,470**	1,218
Staff recruitment fee	**174**	49
Telecommunication fee	**2,461**	2,381
Others	**2,157**	4,152
	50,796	54,059

8. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on borrowings	**29,698**	24,795
Interest on bonds issued	**–**	77
Interest on lease liabilities *(note 16)*	**752**	1,453
	30,450	26,325

9. INCOME TAX EXPENSE

No Hong Kong Profits Tax was provided for the year ended 31 December 2024 as the Group did not derive any estimated assessable profits in Hong Kong. Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the year ended 31 December 2023.

Under the Enterprise Income Tax Law of the PRC, the Corporate Income Tax Rate for domestic entities in the PRC is 25% for the current and prior years.

The amount of taxation charged/(credited) to the consolidated statement of profit or loss:

	2024	2023
	HK$'000	*HK$'000*
Current taxation		
– Hong Kong Profits Tax	**–**	13
– PRC Corporate Income Tax	**10,595**	12,760
– Withholding tax on profits of a non-resident in the PRC	**10,007**	–
	20,602	12,773
Under-provision in prior years		
– Hong Kong Profits Tax	**–**	7
Deferred taxation *(note 20(b))*		
– Hong Kong	**78**	(99)
	20,680	12,681

9. INCOME TAX EXPENSE (CONTINUED)

A reconciliation between tax expense and accounting profit/(loss) at applicable tax rates for the jurisdiction where the operations of the Group are substantially based is as follows:

	2024	2023
	HK$'000	*HK$'000*
Profit/(loss) before taxation	**31,015**	(168)
Statutory tax on profit/(loss) before taxation, calculated at a tax rate of 16.5% (2023: 16.5%)	**5,117**	(28)
Effect of higher tax rate enacted by PRC tax authority	**3,333**	2,925
Tax effect of share of profits of associates	**(3,354)**	(4,019)
Tax effect of income not taxable for tax purposes	**(6,523)**	(3,415)
Tax effect of expenses not deductible for tax purposes	**7,759**	7,699
Utilisation of previously unrecognised tax losses and other temporary differences	**(4,869)**	(556)
Tax effect of tax losses net recognised	**9,210**	10,068
Under-provision in prior years	**–**	7
Withholding tax on profits of a non-resident in the PRC	**10,007**	–
Income tax expense	**20,680**	12,681

10. DIVIDENDS

No dividends were paid, declared or proposed during the current year (2023: nil). The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 and 2023.

11. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit for the year attributable to equity holders of the Company of HK$10,335,000 (2023: loss for the year attributable to equity holders of the Company of HK$12,849,000) and 641,205,600 ordinary shares (2023: 641,205,600 ordinary shares) in issue during the year, calculated as follows:

Profit/(loss) attributable to equity holders of the Company

	2024	2023
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to equity holders of the Company	**10,335**	(12,849)

Number of ordinary shares

	2024	2023
Issued ordinary shares at 1 January and 31 December	**641,205,600**	641,205,600

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share for both years are the same as the respective basic earnings/(loss) per share because there were no potential dilutive ordinary shares during both the current and prior years.

12. INTANGIBLE ASSETS

	Stock Exchange trading rights	**Futures Exchange trading rights**	**Club membership**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Cost and carrying amount				
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**913**	**406**	**120**	**1,439**

13. PROPERTY AND EQUIPMENT

	Leasehold improvements *HK$'000*	Furniture and fixtures *HK$'000*	Office & computer equipment and computer software *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Cost					
At 1 January 2023	6,848	2,996	34,736	899	45,479
Additions	–	9	1,361	–	1,370
Disposals	(2,288)	(589)	(2,543)	–	(5,420)
Exchange difference	(570)	(368)	(878)	(699)	(2,515)
At 31 December 2023 and 1 January 2024	3,990	2,048	32,676	200	38,914
Additions	–	–	1,363	–	1,363
Disposal	–	–	(8)	–	(8)
Disposal of subsidiaries *(note 35)*	(750)	(109)	(1,700)	–	(2,559)
Exchange difference	(27)	(4)	(60)	–	(91)
At 31 December 2024	**3,213**	**1,935**	**32,271**	**200**	**37,619**
Accumulated depreciation					
At 1 January 2023	6,260	2,875	25,832	899	35,866
Charge for the year *(note 7(b))*	155	69	3,069	–	3,293
Write-back on disposal	(2,288)	(578)	(2,541)	–	(5,407)
Exchange difference	(567)	(368)	(875)	(699)	(2,509)
At 31 December 2023 and 1 January 2024	3,560	1,998	25,485	200	31,243
Charge for the year *(note 7(b))*	154	25	2,750	–	2,929
Write-back on disposal	–	–	(7)	–	(7)
Disposal of subsidiaries *(note 35)*	(518)	(85)	(1,470)	–	(2,073)
Exchange difference	(16)	(3)	(49)	–	(68)
At 31 December 2024	**3,180**	**1,935**	**26,709**	**200**	**32,024**
Net book value					
At 31 December 2024	**33**	**–**	**5,562**	**–**	**5,595**
At 31 December 2023	430	50	7,191	–	7,671

14. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 HK$'000	2023 HK$'000
Listed debt investments with fixed interest	**619,114**	224,794

As at 31 December 2024 and 2023, an analysis of the ending balance of the carrying amount in debt instruments at fair value through other comprehensive income ("FVOCI") subject to expected credit losses ("ECLs") is as follows:

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
Fair value as at 31 December 2024	**619,114**	**–**	**–**	**619,114**
Fair value as at 31 December 2023	224,794	–	–	224,794

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remain at fair value. Instead, an amount equal to the ECLs that would arise if the assets were measured at amortised cost is recognised in other comprehensive income as an accumulated impairment allowance, with a corresponding charge to profit or loss.

During the year, an reversal of impairment loss of HK$2,883,000 (2023: impairment loss of HK$7,837,000) was recognised in profit or loss and an impairment allowance of HK$130,000 (2023: HK$24,492,000) previously recognised has been written off upon derecognition of the financial assets. As at 31 December 2024, an impairment allowance of HK$1,750,000 (2023: HK$4,763,000) was provided.

The listed debt investments are expected to be recoverable within one year and are, therefore classified as current assets in the consolidated statement of financial position. An analysis of the maturity profile of listed debt investments of the Group analysed by the remaining tenor from the end of the reporting period to the contractual maturity date is as follows:

	Within 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Overdue HK$'000	Total HK$'000
31 December 2024	**63,908**	**121,454**	**433,752**	**–**	**619,114**
31 December 2023	193,994	–	**30,800**	–	224,794

Listed debt investments of HK$59,962,000 (2023: HK$111,649,000) were collateralised against the borrowings under repurchase agreements (note 26(b)).

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 *HK$'000*	2023 *HK$'000*
Classified as non-current assets:		
– Unlisted private equity funds *(note (i))*	–	30,690
Classified as current assets:		
– Listed fund investments	**11,671**	24,885
– Listed perpetual bonds *(note (ii))*	–	15,342
– Unlisted equity securities	**1**	1
– Unlisted private equity funds	–	1,330
	11,672	41,558
	11,672	72,248

Notes:

(i) These unlisted private equity funds were included in non-current assets according to their intended holding periods.

(ii) As at 31 December 2024, certain listed perpetual bonds with fair value of HK$nil (2023: HK$15,342,000) were collateralised against the borrowings under repurchase agreements (note 26(b)).

16. LEASES

The Group as a lessee

As at 31 December 2024, the Group leases offices for its operations. Lease contracts are entered into for fixed term of 3 years (2023: 2 years to 6 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

Right-of-use assets and lease liabilities

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the years are as follows:

	Right-of-use assets *HK$'000*	**Lease liabilities** *HK$'000*
As 1 January 2023	47,097	50,136
Depreciation charge *(note 7 (b))*	(20,293)	–
Interest expense *(note 8)*	–	1,453
Payments	–	(22,944)
As 31 December 2023 and 1 January 2024	26,804	28,645
Depreciation charge *(note 7 (b))*	(16,646)	–
Interest expense *(note 8)*	–	752
Payments	–	(19,116)
Disposal of subsidiaries *(note 35)*	(2,778)	(3,289)
As 31 December 2024	**7,380**	**6,992**

At 31 December 2024 and 2023, the lease liabilities are analysed into:

	2024 *HK$'000*	2023 *HK$'000*
Current portion	**6,992**	18,364
Non-current portion	**–**	10,281
	6,992	28,645

The maturity analysis of lease liabilities is disclosed in Note 34.1(c) to the consolidated financial statements.

17. INTERESTS IN JOINT VENTURES / AMOUNTS DUE FROM JOINT VENTURES

	2024 HK$'000	2023 HK$'000
Interests in joint ventures	**29,388**	–

Details of the Group's interest in unlisted joint ventures are as follows:

Name	Place of establishment	Particulars of shares capital held	Principal activity
盛雲達 *(note)*	The PRC	RMB20,000,000	Provision of consultancy services
盛達領先 *(note)*	The PRC	RMB13,000,000	Provision of consultancy services

Note: 盛雲達 and 盛達領先 are limited liability companies (equity joint venture enterprise) registered under the PRC law. Both companies were subsidiaries of the Group and became joint ventures during 2024 (note 35).

As at 31 December 2024, the amounts due from joint ventures included in the Group's current assets represents gross amounts of HK$141,432,000 due from 盛雲達 and HK$8,110,000 due form 盛達領先, both are unsecured, interest-free and repayable on demand. An impairment allowance of HK$140,000 has been provided for the amounts due from joint ventures as at 31 December 2024.

17. INTERESTS IN JOINT VENTURES / AMOUNTS DUE FROM JOINT VENTURES (CONTINUED)

Summarised financial information of joint ventures

Summarised financial information in respect of the Group's joint ventures is set out below.

The joint ventures have a reporting date of 31 December and are accounted for using the equity method in these financial statements prepared in accordance with HKFRSs.

盛雲達

	2024 ***HK$'000***
Current assets	
– Bank balances and cash	**65,794**
– Other current assets	**91,518**
	157,312
Non-current assets	
– Financial assets at fair value through profit or loss	
– Level 3	**26,357**
– Other non-current assets	**1,787**
	28,144
Current liabilities	**(149,317)**
Non-current liabilities	**(542)**
Net assets	**35,597**
Proportion of the Group's ownership interest	**50%**
Carrying amount of the Group's interest	**17,799**

17. INTERESTS IN JOINT VENTURES / AMOUNTS DUE FROM JOINT VENTURES (CONTINUED)

Summarised financial information of joint ventures (Continued)

盛達領先

	2024 *HK$'000*
Current assets	
– Bank balances and cash	**21,422**
– Other current assets	**7,145**
	28,567
Non-current assets	
– Financial assets at fair value through profit or loss	
– Level 3	**3,626**
– Other non-current assets	**1,477**
	5,103
Current liabilities	**(9,874)**
Non-current liabilities	**(618)**
Net assets	**23,178**
Proportion of the Group's ownership interest	**50%**
Carrying amount of the Group's interest	**11,589**

18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES

	2024	2023
	HK$'000	*HK$'000*
Interests in associates	**430,328**	449,646

	2024	2023
	HK$'000	*HK$'000*
Share of net assets at 1 January	**449,646**	430,745
Share of profits for the year, net	**20,700**	24,355
Share of other comprehensive income/(expenses) for the year	**1,836**	(2,418)
Dividend received from associates	**(41,854)**	(3,036)
	(19,318)	18,901
Share of net assets at 31 December	**430,328**	449,646

(Expressed in Hong Kong dollars)

18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

The Group's interests in its principal associates, all of which are unlisted, are as follows:

Name	Particulars of issued shares held	Place of incorporation	Effective equity interest to the Group 2024	Effective equity interest to the Group 2023	Principal activity
Sino-Rock Investment Management Company Limited ("Sino-Rock") *(note (i))*	18,000,000 ordinary shares	Hong Kong	**27.59%**	27.59%	Investment holding and provision of capital management and consultancy services
CPI Investment Holdings Limited ("CPHL") (formerly known as "Cinda Plunkett International Holdings Limited")	4,000,000 ordinary shares of HK$1 each	Cayman Islands	**40%**	40%	Fund management
CPI Absolute Return Fund ("CPIAR Fund") (formerly known as "Cinda Plunkett International Absolute Return Fund") *(note (ii))*	100,000 units of US$100 each	Cayman Islands	**16.43%**	16.61%	Investment fund
Cinda International Investment Holdings Limited ("CIIH")	2,820,000 Class-A shares	British Virgin Islands	**47%**	47%	Investment holding

Notes:

(i) As at 31 December 2024, the Group held 18,000,000 ordinary shares (2023: 18,000,000 ordinary shares), representing 27.59% (2023: 27.59%) equity interests in Sino-Rock, a private company incorporated in Hong Kong which is considered as an associate of the Group, and principally engaged in investment holding and provision of capital management and consultancy services. The Group recognised Sino-Rock as a significant investment for the years ended 31 December 2024 and 2023. The Group's share of net assets in Sino-Rock was HK$304,307,000 at 31 December 2024 (2023: HK$292,120,000), which accounted for approximately 16% (2023: 18%) of the total assets of the Group. The aggregate cost of investment in Sino-Rock was HK$107,014,000 (2023: HK$107,014,000). The Group treats Sino-Rock as a long-term investment and a business partner in its asset management business.

(ii) It is considered that the Group had significant influence over CPIAR Fund through the Group's significant influence over the investment manager of CPIAR Fund which has wide discretion over the relevant activities of CPIAR Fund. Note 4(a)(i) provides more details about the management judgement.

Summarised consolidated financial information of associates

Summarised consolidated financial information in respect of the Group's material associates is set out below.

The associates have a reporting date of 31 December and are accounted for using the equity method in these consolidated financial statements prepared in accordance with HKFRSs.

18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

Summarised consolidated financial information of associates (Continued)

Sino-Rock

	2024 *HK$'000*	2023 *HK$'000*
Current assets		
– Bank balances and cash	**135,702**	165,946
– Other current assets	**123,671**	53,432
	259,373	219,378
Non-current assets		
– Financial assets at fair value through profit or loss		
– Level 1 and 2	**135,977**	69,934
– Level 3	**700,400**	747,856
– Other non-current assets	**143,449**	180,842
	979,826	998,632
Current liabilities	**(66,150)**	(85,555)
Non-current liabilities	**(61,022)**	(60,508)
Net assets	**1,112,027**	1,071,947
Revenue and net gains	**165,068**	188,276
Profit for the year	**62,670**	81,747
Other comprehensive income/(expenses) for the year	**6,603**	(11,487)
Total comprehensive income for the year	**69,273**	70,260
Dividend received from the associate	**(4,414)**	(3,036)

18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

Summarised consolidated financial information of associates (Continued)

A reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

	2024 HK$'000	2023 HK$'000
Net assets of Sino-Rock	**1,112,027**	1,071,947
Non-controlling interests	**(9,067)**	(13,158)
Net assets attributable to shareholders of Sino-Rock	**1,102,960**	1,058,789
Proportion of the Group's ownership interest in Sino-Rock	**27.59%**	27.59%
Carrying amount of the Group's interest in Sino-Rock	**304,307**	292,120

CPHL

	2024 HK$'000	2023 HK$'000
Current assets		
– Bank balances and cash	**8,690**	4,965
– Financial assets at fair value through profit or loss	**123,486**	211,637
– Trade and other receivables	**115,360**	77,148
	247,536	293,750
Non-current assets	**8,817**	1,435
Current liabilities	**(137,120)**	(95,807)
Net assets	**119,233**	199,378
Revenue and net gains	**61,571**	56,424
Profit and total comprehensive income for the year	**13,454**	6,680
Dividend received from the associate	**(37,440)**	–

A reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

	2024 HK$'000	2023 HK$'000
Net assets of CPHL	**119,233**	199,378
Proportion of the Group's ownership interest in CPHL	**40%**	40%
Carrying amount of the Group's interest in CPHL	**47,693**	79,751

18. INTERESTS IN ASSOCIATES / SHARE OF RESULTS OF ASSOCIATES (CONTINUED)

Summarised consolidated financial information of associates (Continued)

CPIAR Fund

	2024	2023
	HK$'000	*HK$'000*
Current assets		
– Bank balances and cash	**22,231**	3,962
– Financial assets at fair value through profit or loss	**476,784**	480,990
– Other current assets	**3,992**	2,661
	503,007	487,613
Current liabilities	**(34,342)**	(27,270)
Net assets	**468,665**	460,343
Revenue and net gains	**16,842**	15,350
Profit and total comprehensive income for the year	**8,322**	8,937

A reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statement is as follows:

	2024	2023
	HK$'000	*HK$'000*
Net assets of CPIAR Fund	**468,665**	460,343
Proportion of the Group's ownership interest in CPIAR Fund	**16.43%**	16.61%
Carrying amount of the Group's interest in CPIAR Fund	**77,002**	76,463

CIIH

At 31 December 2024, the carrying amount of the Group's interest in CIIH amount to HK$1,327,000 (2023: HK$1,312,000). The Group recognised a profit and total comprehensive income of HK$15,000 (2023: loss and total comprehensive expense of HK$885,000) from the interest in CIIH for the year ended 31 December 2024.

19. OTHER ASSETS

	2024	2023
	HK$'000	*HK$'000*
Stock Exchange stamp duty deposit	**250**	250
Stock Exchange Fidelity Fund deposit	**100**	100
Stock Exchange Compensation Fund deposit	**100**	100
Guarantee Fund deposits with the Hong Kong Securities Clearing Company Limited	**4,825**	2,423
Clearing link deposits with Hong Kong Securities Clearing Company Limited	**268**	312
Statutory deposits and deposits with the HKFE Clearing Corporation Limited ("HKCC")	**1,500**	1,500
Reserve fund deposit with the SEHK Options Clearing House Limited ("SEOCH")	**1,581**	1,744
Rental deposits	**–**	4,757
Others	**120**	114
	8,744	11,300

20. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Tax payable

	2024	2023
	HK$'000	*HK$'000*
Provision for		
– Hong Kong Profits Tax	**40**	67
– PRC Corporate Income Tax	**–**	8,140
	40	8,207

20. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax

The movements in deferred tax (assets)/liabilities during the years are as follows:

	Accelerated tax depreciation *HK$'000*	**Tax losses** *HK$'000*	**Impairment losses** *HK$'000*	**Total** *HK$'000*
At 1 January 2023	2,973	(2,973)	(42)	(42)
(Credited)/charged to consolidated statement of profit or loss *(note 9)*	(1,374)	1,374	(99)	(99)
At 31 December 2023 and 1 January 2024	1,599	(1,599)	(141)	(141)
(Credited)/charged to consolidated statement of profit or loss *(note 9)*	(484)	484	78	78
At 31 December 2024	**1,115**	**(1,115)**	**(63)**	**(63)**

Apart from the above, no other deferred tax asset is recognised in respect of the unused tax losses as the management of the Group considers that it is not probable that future assessable profits will be available to offset against the unrecognised losses.

The Group has unrecognised tax losses and temporary differences arising from depreciation of property and equipment in excess of related depreciation allowances as at 31 December 2024 of HK$358,389,000 (2023: HK$329,188,000) and HK$2,147,000 (2023: HK$5,080,000), respectively. These tax losses have no expiry dates.

At 31 December 2023, the deferred tax liabilities of HK$22,202,000 in relation to the temporary differences relating to the undistributed profits of PRC subsidiaries, have not been recognised in respect of the tax that would be payable on the distribution of these retained earnings, as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future. As the PRC subsidiaries were disposed during the year ended 31 December 2024, no such deferred tax liabilities as at 31 December 2024.

21. TRADE AND OTHER RECEIVABLES

	2024 **HK$'000**	2023 HK$'000
Trade receivables from clients arising from		
– corporate finance *(note (i))*	**546**	8,036
– securities brokering *(note (ii))*	**122,353**	75,031
– asset management *(note (iii))*	**8,175**	20,295
Margin and other trade-related deposits with brokers and financial institutions arising from *(note (iv))*		
– commodities and futures brokering	**1,193**	24,688
– securities brokering	**1,695**	12,417
Margin loans arising from securities brokering *(note (v))*	**91,111**	132,984
Trade receivables from clearing houses arising from securities brokering *(note (vi))*	**72,636**	46,567
Less: impairment allowances *(note (vii))*	**(29,363)**	(13,786)
Total trade receivables *(note (viii))*	**268,346**	306,232
Deposits	**5,112**	1,045
Other receivables *(note (ix))*	**39,393**	13,370
Total trade and other receivables	**312,851**	320,647

The carrying amounts of trade and other receivables approximate to their fair values. All of the trade and other receivables, other than margin loans arising from securities brokering, are expected to be recovered or realised within one year.

Notes:

(i) For trade receivables related to corporate finance, no impairment allowance was provided for the year (2023: nil). The settlement terms of trade receivables from corporate finance clients are usually 30 days from the date of invoice. The relevant ageing analysis based on the date of invoice at the reporting date was as follows:

	2024 **HK$'000**	2023 HK$'000
Current	**–**	7,463
30-60 days	**73**	100
Over 60 days	**473**	473
	546	8,036

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(ii) For trade receivables from clients arising from securities brokering, the amounts represent outstanding unsettled trades due from clients as at the year end. It normally takes 2 to 3 days to settle after the trade date of those transactions. As at 31 December 2024, it included overdue balances of HK$10,430,000 (2023: HK$9,672,000). These overdue balances are either subsequently settled after the reporting date or fully collateralised by listed securities. The directors of the Company did not consider that there was a significant change in credit quality of the balance. No impairment allowance has been provided.

(iii) For trade receivables from to asset management, no impairment allowance was provided for the year (2023: nil). The settlement terms of trade receivables from asset management clients are usually 30 days from the date of invoice.

As at 31 December 2024, the Group had trade receivables from asset management from its fellow subsidiaries and ultimate holding company, amounted to HK$4,946,000 (2023: HK$20,967,000) in total.

(iv) The settlement terms of margin and other deposits from brokers and financial institutions are at specific agreed terms. Clients trading in commodities and futures contracts and obtaining securities margin financing from the Group are required to observe the Group's margin policies. For commodities and futures contracts, initial margins are required before trading and thereafter clients are required to keep the equity position at a prescribed maintenance margin level. The effective interest rate for margins and other trade-related deposits is 0.01% (2023: 0.01%) per annum.

In addition, margin and trade-related deposits are deposited with high-credit-quality financial institutions. No impairment allowance has been provided as the related allowances were considered to be immaterial and there was no credit default history.

(v) Margin clients of the securities brokering business are repayable on demand and are required to pledge their shares to the Group for credit facilities for securities trading. The effective interest rates ranged from 8% to 13% (2023: 8% to 13%) per annum.

The amount of credit facilities granted to margin clients is determined by the discounted value of shares acceptable by the Group after making reference to industry practice. As at 31 December 2024, the fair value of shares accepted as collateral amounted to HK$174,605,000 (2023: HK$680,556,000) and the fair value of the majority of clients' listed securities exceeds the carrying amount of those individual loans to margin clients.

Credits are extended to brokering clients on a case-by-case basis in accordance with the financial status of clients such as their financial conditions, trading records, business profile and the collateral available to the Group.

Special approvals from the Group were granted to those clients whose fair values of collaterals were less than the carrying amount of their individual loans by considering their historical repayment records, credit quality of those margin clients and other factors affecting the market prices of collateral. Credit risks from those margin clients were considered to be minimal.

The Group is allowed to use clients' securities up to the amount of 140% of the loans to margin clients as collateral of the Group's bank facilities (with client's consent). However, no securities held as collateral have been repledged to secure the Group's bank facilities for the years ended 31 December 2024 and 2023.

As at 31 December 2024, the Group had concentration of credit risk of 65% (2023: 71%) of the trade receivables from margin loans due from the five largest margin clients.

During the year, impairment loss of HK$15,577,000 was charged to profit or loss (2023: reversal of impairment loss of HK$602,000 was credited to profit or loss). As at 31 December 2024, impairment allowances of HK$29,363,000 (2023: HK$13,786,000) for the receivables from margin clients was provided. No ageing analysis is disclosed as in the opinion of the management, the ageing analysis does not give additional value in view of the nature of revolving margin loans.

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(vi) The settlement terms of trade receivables from clearing houses are usually 1 to 2 days after the trade date.

Furthermore, the Group maintains designated accounts with SEOCH and HKCC as a result of its normal business transactions. At 31 December 2024, the designated accounts with SEOCH and HKCC not otherwise dealt with in the consolidated financial statements amounted to HK$6,515,000 (2023: HK$3,225,000) and HK$11,841,000 (2023: HK$4,896,000) respectively.

(vii) The movements in the impairment allowances for trade and other receivables during the year are as follows:

	HK$'000
At 1 January 2023	13,184
Provision of impairment losses *(note 7(a))*	5,425
Written off	(4,823)
At 31 December 2023 and 1 January 2024	13,786
Provision of impairment losses *(note 7(a))*	20,252
Written off	(4,675)
At 31 December 2024	**29,363**

	Stage 1 ***HK$'000***	**Stage 2** ***HK$'000***	**Stage 3** ***HK$'000***	**Simplified approach** ***HK$'000***	**Total** ***HK$'000***
Expected credit losses					
As at 1 January 2023	**255**	–	**12,929**	–	**13,184**
Change due to financial instrument recognised as at beginning of the year					
– Written off	**(4,823)**	–	–	–	**(4,823)**
– Remeasurement of ECL	**5,425**	–	–	–	**5,425**
As 31 December 2023 and 1 January 2024	**857**	–	**12,929**	–	**13,786**
Change due to financial instrument recognised as at beginning of the year					
– Written off	**(4,675)**	–	–	–	**(4,675)**
– Remeasurement of ECL	**4,201**	–	**16,051**		**20,252**
As 31 December 2024	**383**	–	**28,980**	–	**29,363**

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(vii) *(continued)*

As at 31 December 2024 and 2023, an analysis of the gross amount of trade and other receivables and their expected credit losses is as follows:

	Stage 1 *HK$'000*	Stage 2 *HK$'000*	Stage 3 *HK$'000*	Simplified approach *HK$'000*	Total *HK$'000*
Gross amount as at 31 December 2024					
Trade receivables from clients	**130,528**	**–**	**–**	**546**	**131,074**
Margin and other trade-related deposits with brokers and financial institutions	**2,888**	**–**	**–**	**–**	**2,888**
Margin loans	**51,311**	**100**	**39,700**	**–**	**91,111**
Trade receivables from clearing houses	**72,636**	**–**	**–**	**–**	**72,636**
Deposits	**5,112**	**–**	**–**	**–**	**5,112**
Other receivables	**39,393**	**–**	**–**	**–**	**39,393**
	301,868	**100**	**39,700**	**546**	**342,214**
Expected credit losses as at 31 December 2024					
Trade receivables from clients	**–**	**–**	**–**	**–**	**–**
Margin and other trade-related deposits with brokers and financial institutions	**–**	**–**	**–**	**–**	**–**
Margin loans	**(383)**	**–**	**(28,980)**	**–**	**(29,363)**
Trade receivables from clearing houses	**–**	**–**	**–**	**–**	**–**
Deposits	**–**	**–**	**–**	**–**	**–**
Other receivables	**–**	**–**	**–**	**–**	**–**
	(383)	**–**	**(28,980)**	**–**	**(29,363)**

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(vii) *(continued)*

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Gross amount as at 31 December 2023					
Trade receivables from clients	95,326	–	–	8,036	103,362
Margin and other trade-related deposits with brokers and financial institutions	37,105	–	–	–	37,105
Margin loans	119,955	100	12,929	–	132,984
Trade receivables from clearing houses	46,567	–	–	–	46,567
Deposits	1,045	–	–	–	1,045
Other receivables	13,370	–	–	–	13,370
	313,368	100	12,929	8,036	334,433
Expected credit losses as at 31 December 2023					
Trade receivables from clients	–	–	–	–	–
Margin and other trade-related deposits with brokers and financial institutions	–	–	–	–	–
Margin loans	(857)	–	(12,929)	–	(13,786)
Trade receivables from clearing houses	–	–	–	–	–
Deposits	–	–	–	–	–
Other receivables	–	–	–	–	–
	(857)	–	(12,929)	–	(13,786)

(Expressed in Hong Kong dollars)

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(vii) *(continued)*

As at 31 December 2024 and 2023, an analysis the expected credit losses rate is as follows:

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	%	%	%	%	%
Expected credit losses rate as at 31 December 2024					
Margin loans arising from securities brokering	**0.75**	**0.20**	**73.00**	**–**	**32.23**
Expected credit losses rate as at 31 December 2023					
Margin loans arising from securities brokering	0.71	0.20	100.00	–	10.37

During the year ended 31 December 2024, the Group has recognised an impairment loss of HK$4,674,000 (2023: HK$4,823,000) in respect of interest receivables (included in other receivables) relating to debt instruments at fair value through other comprehensive income which are credit-impaired. The amount has been subsequently written off upon derecognition of the related financial assets. No impairment allowance has been provided for the remaining trade and other receivables as the related allowances were considered immaterial and there was no credit default history.

(viii) Other than the trade receivables from margin loans, the Group does not have any other significant concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, which are widely dispersed.

(ix) As at 31 December 2024, the Group has other receivables from its associate, CPI (China) Management Limited, amounted to HK$9,170,000 (2023: nil) relating to the consideration receivables on disposal of 盛雲達.

22. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

	2024 HK$'000	2023 HK$'000
Cash in hand	**12**	19
Bank balances		
– pledged deposits	**12,758**	12,447
– fixed deposits	**164,180**	52,900
– general accounts	**111,268**	466,412
	288,206	531,759
	288,218	531,778
By maturity:		
Bank balances		
– current and savings accounts	**111,268**	466,412
– fixed deposits (maturing within three months)	**176,938**	65,347
	288,206	531,759
Classified as:		
Pledged bank deposits	**12,758**	12,447
Bank balances and cash	**275,460**	519,331
	288,218	531,778

As at 31 December 2024, bank deposits amounting to HK$12,758,000 (2023: HK$12,447,000), which included a principal of HK$12,000,000 (2023: HK$12,000,000) plus accrued interest, have been pledged to banks as security for the provision of securities brokering facilities for a total amount of HK$200 million (2023: HK$200 million).

Certain subsidiaries of the Group maintained segregated trust accounts with authorised institutions as a result of their respective business activities. As at 31 December 2024, segregated trust accounts not dealt with in these consolidated financial statements amounted to HK$1,471,018,000 (2023: HK$334,986,000).

As at 31 December 2024, the bank balances and deposits bore interest at rates from 0.01% to 3.5% (2023: 0.01% to 3.25%) per annum. Included in bank balances and deposits are HK$8,612,000 (2023: HK$177,296,000) placed with a fellow subsidiary which is a licensed bank.

Cash and cash equivalents

	2024 HK$'000	2023 HK$'000
Analysis of balances of cash and cash equivalents		
Cash in hand and at banks (excluding pledged bank deposits)	**275,460**	519,331

23. SHARE CAPITAL

	Number of shares	Nominal value *HK$'000*
Authorised share capital		
Ordinary shares	1,000,000,000	100,000
Issued and fully paid		
Ordinary shares		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	641,205,600	64,121

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. In addition, subsidiaries of the Group licensed by the Securities and Futures Commission ("SFC") are obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules ("SF(FR)R") at all times.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. For the licensed subsidiaries, the Group ensures that each of them maintains a liquid capital level adequate to support the activities level with sufficient buffer to accommodate the increase in liquidity requirements arising from potential increases in business activities. SF(FR)R returns are filed to the SFC by the licensed subsidiaries on a monthly or semi-annually basis as required. During the current and prior years, all the licensed subsidiaries complied with the liquid capital requirements under the SF(FR)R.

The Group defined gearing ratio as net debt-to-adjusted capital ratio and monitors its capital structure based on it. For this purpose, the Group defines net debt as total debt (which includes borrowings, bonds issued, trade and other payables and lease liabilities) plus unaccrued proposed dividends, less bank balances and cash (including pledged bank deposits). Adjusted capital comprises all components of equity, less unaccrued proposed dividends.

Further, the Group strived to maintain highly liquid assets to prepare for any unexpected sudden changes in the market. As at the end of the reporting period, the current ratio was 148% (2023: 161%).

23. SHARE CAPITAL (CONTINUED)

Capital management (Continued)

The net debt-to-adjusted capital ratios at 31 December 2024 and 2023 are as follows:

	Notes	2024 HK$'000	2023 HK$'000
Current liabilities			
Trade and other payables	25	214,800	184,675
Borrowings	26	706,566	484,808
Lease liabilities	16	6,992	18,364
		928,358	687,847
Non-current liabilities			
Lease liabilities	16	–	10,281
Total debt		928,358	698,128
Less: Bank balances and cash (including pledged bank deposits)	22	(288,218)	(531,778)
Net debt		640,140	166,350
Total equity and adjusted capital		935,796	940,133
Adjusted net debt-to-capital ratio		68.41%	17.69%

24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

	2024 HK$'000	2023 HK$'000
Non-current assets		
Intangible assets	**120**	120
Investments in subsidiaries	**500,877**	547,856
Investments in joint ventures	**29,388**	–
Investments in associates	**207,078**	207,078
	737,463	755,054
Current assets		
Debt instruments at fair value through other comprehensive income	**619,114**	224,794
Financial assets at fair value through profit or loss	**11,672**	40,228
Amounts due from subsidiaries	**25,919**	138,680
Amounts due from joint ventures	**149,402**	–
Other receivables	**51,028**	13,522
Bank balances	**86,381**	29,805
	943,516	447,029
Current liabilities		
Amounts due to subsidiaries	**189,177**	161,823
Other payables	**11,101**	9,220
Borrowings	**706,566**	484,808
	906,844	655,851
Net current assets/(liabilities)	**36,672**	(208,822)
Total assets less current liabilities	**774,135**	546,232

24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

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

	2024	2023
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**64,121**	64,121
Other reserves	**565,236**	594,236
Retained earnings/(accumulated losses)	**144,778**	(112,125)
Total equity	**774,135**	546,232

Zhang Xunyuan
Executive Director

Yan Qizhong
Executive Director

24. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Reserves

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of reserves during the years are set out below:

	The Company					
	Share premium* *HK$'000*	**Capital reserve*** *HK$'000* *(note(i))*	**Investment revaluation reserve*** *HK$'000*	**Contributed surplus*** *HK$'000* *(note(ii))*	**(Accumulated losses)/ retained earnings** *HK$'000*	**Total** *HK$'000*
At 1 January 2023	421,419	114,658	(6,800)	53,023	(81,413)	500,887
Loss for the year	–	–	–	–	(30,712)	(30,712)
Other comprehensive income	–	–	11,936	–	–	11,936
Total comprehensive income/ (expenses) for the year	–	–	11,936	–	(30,712)	(18,776)
At 31 December 2023 and 1 January 2024	**421,419**	**114,658**	**5,136**	**53,023**	**(112,125)**	**482,111**
Profit for the year	**–**	**–**	**–**	**–**	**256,903**	**256,903**
Other comprehensive expenses	**–**	**–**	**(29,000)**	**–**	**–**	**(29,000)**
Total comprehensive income/ (expense) for the year	**–**	**–**	**(29,000)**	**–**	**256,903**	**227,903**
At 31 December 2024	**421,419**	**114,658**	**(23,864)**	**53,023**	**144,778**	**710,014**

Notes:

(i) The capital reserve of the Group represents (i) capital contribution from the Company's shareholders, (ii) notional capital contribution from the Company's shareholders arising on acquisition of an associate, (iii) the difference between the nominal value of the shares issued by the Company and the nominal value of the deferred share capital of a subsidiary acquired in 2000 and (iv) the fair value of the actual or estimated number of unexercised share options granted to employees of the Company. All share options were cancelled in prior years.

(ii) The contributed surplus arose as a result of the Group's reorganisation in 2000 and represents the difference between the aggregate net asset value of subsidiaries acquired and the nominal amount of the Company's shares issued for the acquisition.

* These reserve accounts comprise the other reserves of HK$565,236,000 (2023: HK$594,236,000) in the statement of financial position of the Company.

25. TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables to margin clients arising from securities brokering	**2,978**	3,661
Trade payables to securities trading clients arising from securities brokering	**182,793**	113,589
Margin and other deposits payable to clients arising from commodity and futures brokering	**1,071**	24,577
Trade payables to brokers arising from securities brokering	**988**	1,010
Trade payables to clearing houses arising from securities brokering	**638**	4,828
Total trade payables	**188,468**	147,665
Accruals, provision and other payables	**16,669**	33,088
Deferred revenue	**9,663**	3,922
Total trade and other payables	**214,800**	184,675

The carrying amounts of trade and other payables approximate to their fair values. The majority of trade and other payables are expected to be settled within one year. The trade payables are aged within 30 days.

The settlement terms of payables to clearing houses and securities trading clients from the ordinary course of business of brokering in securities range from 2 to 3 days after the trade date of those transactions. Margin and other deposits received from clients for their trading of commodities and futures contracts, which exceeded the margin maintenance requirement, were repayable on demand.

As at 31 December 2024, included in other payables is an amount due to an associate, CPHL, of HK$3,101,000. The amount is unsecured, interest-free and repayable on demand.

26. BORROWINGS

	2024	2023
	HK$'000	*HK$'000*
Classified as current liabilities:		
– Bank loans *(note 26(a))*	**663,050**	386,417
– Borrowings under repurchase agreements *(note 26(b))*	**43,516**	98,391
	706,566	484,808

26. BORROWINGS (CONTINUED)

(a) Bank loans

At 31 December 2024, the bank borrowings were repayable and carried interest with reference to the HIBOR (2023:HIBOR) as follows:

	2024 **HK$'000**	2023 HK$'000
Within a period not exceeding 1 year	**663,050**	386,417
Within a period of more than 1 year but not exceeding 2 years	–	–
Within a period of more than 2 years but not exceeding 5 years	–	–
Within a period of more than 5 years	–	–
	663,050	386,417

As at 31 December 2024, the Group had total banking facilities of HK$1,482,000,000 (2023: HK$1,538,000,000).

Among these banking facilities, HK$1,382,000,000 (2023: HK$1,382,000,000) was under specific performance obligation on Company's controlling shareholder which the current controlling shareholder shall hold over 50% directly or indirectly, of the entire issued share capital of the Company. In addition, HK$200,000,000 (2023: HK$200,000,000) of these banking facilities was further secured by pledged deposits with a principal of HK$12,000,000 (2023: HK$12,000,000).

As at 31 December 2024, HK$566,271,000 (2023: HK$386,417,000) was drawn from the banking facilities under the specific performance obligation. Among these banking facilities, HK$222,271,000 was drawn in Renminbi (2023: HK$58,416,000 was drawn in Renminbi).

As at 31 December 2024 and 2023, the Group has not utilised any of the banking facilities secured by the pledged deposits. The effective interest rate of the bank loans is also equal to the contracted interest rate.

(b) Borrowings under repurchase agreements

The Group has entered into several repurchase agreements with financial institutions in which the Group sold a portfolio of debt investments it held to the financial institutions in exchange for a cash consideration of US$5,579,000 (equivalent to HK$43,516,000) (2023: US$12,614,000 (equivalent to HK$98,391,000). There are no maturity dates stated in the agreements and the interest is calculated using the effective interest rate, which ranges from 2.7% to 2.8% (2023: with reference to SOFR adjusted by Credit Adjustment Spread). The Group is required to repurchase the debt investments at original cash consideration plus interest at fixed rates ranged from 2.7% to 2.8% (2023: interest at variable rates with reference to SOFR adjusted by Credit Adjustment Spread) upon the termination of the agreements. As at 31 December 2024, the obligations under repurchase agreements were collateralised by the Group's debt investments and listed perpetual bonds with a fair value of HK$59,962,000 (2023: HK$126,991,000).

27. DEFINED CONTRIBUTION PLANS

The aggregate employer's contributions, net of forfeited contributions, which have been dealt with in the consolidated statement of profit or loss for the year are shown as follows:

	2024 **HK$'000**	2023 HK$'000
Employer's contributions charged to the consolidated statement of profit or loss	**2,744**	3,030

28. DIRECTORS' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is shown below.

The remuneration of the directors for the year ended 31 December 2024 is set out below:

Name of Director	Fee HK$'000	Basic salaries HK$'000	Housing allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive Directors						
Zhang Xunyuan	–	750	480	–	275	1,505
Lau Mun Chung *(note (i))*	41	400	–	–	3	444
Yan Qizhong *(note (ii))*	–	750	200	–	74	1,024
Non-executive Director						
Zhang Yi *(note (iii))*	–	–	–	–	–	–
Independent Non-Executive Directors						
Xia Zhidong *(note (iv))*	137	–	–	–	–	137
Liu Xiaofeng *(note (iv))*	137	–	–	–	–	137
Zheng Minggao	240	–	–	–	–	240
Hu Lielei *(note (v))*	103	–	–	–	–	103
Zhao Guangming *(note (v))*	103	–	–	–	–	103
	761	1,900	680	–	352	3,693

28. DIRECTORS' EMOLUMENTS (CONTINUED)

Notes:

(i) Lau Mun Chung ceased as Executive Director & Company Secretary with effect from 2 March 2024 due to retirement.

(ii) Yan Qizhong has been appointed as Executive Director & Chief Financial Officer with effect from 2 March 2024.

(iii) Zhang Yi has been re-designated from Executive Director to Non-Executive Director with effect from 28 August 2024.

(iv) Xia Zhidong and Liu Xiaofeng have ceased to be independent non-executive directors with effect from 27 July 2024.

(v) Hu Lielei and Zhao Guangming have been appointed as independent non-executive directors with effect from 27 July 2024.

(vi) The evaluation of the performance of the Executive Directors has not yet been finalised. The discretionary bonuses payable are therefore not finalised and the final amount will be disclosed in due course. The discretionary bonuses of certain executive directors are payable by instalments.

(vii) No emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2024 and 2023.

The remuneration of the directors for the year ended 31 December 2023 is set out below:

Name of Director	Fee *HK$'000*	Basic salaries *HK$'000*	Housing allowances and benefits in kind *HK$'000*	Discretionary bonuses *HK$'000*	Employer's contribution to pension scheme *HK$'000*	Total *HK$'000*
Executive Directors						
Zhu Ruimin *(note (i))*	–	–	–	–	–	–
Zhang Yi *(note (ii))*	–	168	97	–	233	498
Zhang Xunyuan *(note (iii))*	–	500	320	–	116	936
Lau Mun Chung	240	2,326	–	–	18	2,584
Independent Non-Executive Directors						
Xia Zhidong	240	–	–	–	–	240
Liu Xiaofeng	240	–	–	–	–	240
Zheng Minggao	240	–	–	–	–	240
	960	2,994	417	–	367	4,738

Notes:

(i) Zhu Ruimin resigned as Executive Director and Chairman effective from 13 March 2023.

(ii) Zhang Yi has been re-designated from the position of the Chief Executive Officer to Chairman on 13 March 2023.

(iii) Zhang Xunyuan has been appointed as Executive Director and Chief Executive Officer effective from 13 March 2023.

29. KEY MANAGEMENT PERSONNEL'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Key management personnel's emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly, including Executive Directors and Executive Officers, Non-Executive Directors and Independent Non-Executive Directors.

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

	2024	2023
	HK$'000	*HK$'000*
Basic salaries, housing allowances and benefits in kind	**11,252**	11,907
Discretionary bonuses	**–**	17
Defined contribution plans	**449**	457
	11,701	12,381

The remuneration of Executive Directors is reviewed by the Remuneration Committee and/or the Board having regard to the performance of individuals and market trends.

The number of the key management personnel whose emoluments fell within the following bands is as follows:

	Number of individuals	
	2024	2023
Emolument bands		
HK$Nil–HK$1,000,000	**7**	7
HK$1,000,001–HK$1,500,000	**4**	2
HK$1,500,001–HK$2,000,000	**2**	–
HK$2,000,001–HK$2,500,000	**1**	2
HK$2,500,001–HK$3,000,000	**–**	1
	14	12

29. KEY MANAGEMENT PERSONNEL'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included two (2023: one) director, whose emoluments are reflected in note 28. The emoluments payable to the remaining three (2023: four) individuals during the year are as follows:

	2024	2023
	HK$'000	*HK$'000*
Basic salaries, housing allowances and benefits in kind	**5,700**	8,226
Discretionary bonuses	**–**	–
Defined contribution plans	**54**	72
	5,754	8,298

The emoluments of the remaining three (2023: four) individuals fell within the following bands:

	Number of individuals	
	2024	2023
HK$1,500,001–HK$2,000,000	**2**	2
HK$2,000,001–HK$2,500,000	**1**	2
	3	4

30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

All share options were cancelled in prior years.

During the years ended 31 December 2024 and 2023, no share options were granted nor outstanding.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit/(loss) before taxation to net cash (used in)/generated from operating activities

	Notes	2024 HK$'000	2023 HK$'000
Profit/(loss) before taxation		**31,015**	(168)
Adjustments for:			
Depreciation of property and equipment	7(b)	**2,929**	3,293
Depreciation of right-of-use assets	7(b)	**16,646**	20,293
Share of profits of associates, net	18	**(20,700)**	(24,355)
Loss on disposal of property and equipment	5	**1**	–
Interest income from pledged bank deposits		**(311)**	(282)
(Gain)/loss from changes in fair value of financial assets at fair value through profit or loss, net		**(327)**	10,979
(Gain)/loss on disposal of financial assets at fair value through profit or loss, net		**(439)**	(364)
(Gain)/loss on disposal of debt instruments at fair value through other comprehensive income, net		**(304)**	(1,004)
Interest income from investments		**(37,261)**	(11,694)
Interest expenses on lease liabilities	8	**752**	1,453
Other interest expenses	8	**29,698**	24,872
Loss on disposal of subsidiaries	35	**16,034**	–
Impairment loss on financial assets under expected credit loss model, net of reversal	7(a)	**17,509**	13,262
Operating profit before working capital changes		**55,242**	36,285
(Increase)/decrease in other assets		**(2,201)**	3,134
(Increase)/decrease in trade and other receivables		**(237,008)**	46,200
Increase/(decrease) in trade and other payables		**190,931**	(21,942)
Cash generated from operations		**6,964**	63,677
Hong Kong Profits Tax (paid)/refunded		**(27)**	778
PRC Corporate Income Tax paid		**(12,986)**	(9,398)
Withholding tax paid		**(10,007)**	–
Net cash (used in)/generated from operating activities		**(16,056)**	55,057

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

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

	Lease liabilities HK$'000 (note 16)	Borrowings HK$'000 (note 26)	Bonds issued HK$'000	Interest payable included in other payables HK$'000	Total HK$'000
At 1 January 2023	50,136	447,388	10,000	1,338	508,862
Financing cash flows	(22,944)	37,420	(10,000)	(23,514)	(19,038)
Interest expenses *(note 8)*	1,453	–	–	24,872	26,325
At 31 December 2023 and 1 January 2024	**28,645**	**484,808**	**–**	**2,696**	**516,149**
Financing cash flows	**(19,116)**	**221,758**	**–**	**(26,721)**	**175,921**
Interest expenses *(note 8)*	**752**	**–**	**–**	**29,698**	**30,450**
Other non-cash transactions:					
Disposal of subsidiaries *(note 35)*	**(3,289)**	**–**	**–**	**–**	**(3,289)**
At 31 December 2024	**6,992**	**706,566**	**–**	**5,673**	**719,231**

32. CONTINGENT LIABILITIES

As at 31 December 2024, a subsidiary of the Company engaging in securities brokering and providing securities margin financing has secured banking facilities from certain authorised institutions for a total amount of HK$200 million (2023: HK$200 million). In addition, the Company has issued corporate guarantees for a total principal amount of HK$200 million (2023: HK$200 million) for these facilities. As at 31 December 2024, no amount (2023: nil) was drawn under the banking facilities.

Apart from the above, the Group has no other material contingent liabilities as at 31 December 2024 (2023: nil).

33. CAPITAL AND INVESTMENT COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at the end of the reporting period not provided for in the consolidated financial statements are as follows:

	2024 *HK$'000*	2023 *HK$'000*
Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the consolidated financial statements	**346**	396

(b) Investment commitments

The Group had no material investment commitments contracted as at 31 December 2024 (2023: nil).

As part of the Group's asset management business, the Group sets up structured entities (for example, investment funds) and generate fees from managing assets on behalf of investors. The Group may also co-invest in these structured entities in the capacity as general partners or investment managers of these structured entities. The Group did not control and did not consolidate these structured entities.

As at 31 December 2023, the carrying values of the interests held by the Group in the above unconsolidated structured entities managed by the Group amounted to HK$32,020,000, which was recognised in financial assets at fair value through profit or loss. The Group did not held such unconsolidated structured entities as at 31 December 2024. The maximum exposure to loss is the carrying value of the assets held. Other than the invested amounts above, the Group has no significant outstanding commitments to these unconsolidated structured entities. Other than the committed capital, the Group has no intention to provide financial or other support to these structured entities.

34. FINANCIAL RISK MANAGEMENT

34.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, equity price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Risk Management Committee (the "RMC") under policies approved by the Board of Directors. The RMC identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The RMC also recommends the overall risk management policy for the approval of the Board or the Executive Management Committee (the "EMC") of the Group, covering specific areas, such as foreign exchange risk, equity price risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

(a) Market risk

The exposures of the Group to market risk include foreign exchange risk, equity price risk and interest rate risk.

Foreign exchange risk

The Group is exposed to foreign exchange risk primarily arising from its financial assets and financial liabilities denominated in foreign currencies. The currencies giving rise to this risk are primarily Renminbi and the United States dollars. The RMC reviews the exposures from time to time to cope with changes in volatility in the market.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(a) Market risk (Continued)

Foreign exchange risk (Continued)

The following table details the Group's exposure at the end of the reporting period to foreign exchange risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Japanese Yen *HK$'000*	United States dollars *HK$'000*	Renminbi *HK$'000*	Others *HK$'000*
At 31 December 2024				
Debt instruments at fair value through other comprehensive income	**–**	**82,434**	**536,680**	**–**
Financial assets at fair value through profit or loss	**–**	**11,672**	**–**	**–**
Trade and other receivables	**60**	**25,723**	**248**	**2,209**
Other assets	**–**	**–**	**268**	**–**
Bank balances and cash	**185**	**144,239**	**42,551**	**73**
Trade and other payables	**(36)**	**(611)**	**(2,614)**	**–**
Borrowings	**–**	**–**	**(362,566)**	**–**
Net exposure arising from recognised net assets	**209**	**263,457**	**214,567**	**2,282**
At 31 December 2023				
Debt instruments at fair value through other comprehensive income	–	224,794	–	–
Financial assets at fair value through profit or loss	–	40,227	–	–
Trade and other receivables	214	53,218	226	215
Other assets	–	–	312	–
Bank balances and cash	201	42,518	5,568	890
Trade and other payables	(178)	(2,458)	(281)	–
Borrowings	–	(98,391)	(58,416)	–
Net exposure arising from recognised net assets	237	259,908	(52,591)	1,105

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(a) Market risk (Continued)

Sensitivity analysis

The following table indicates the approximate change in the Group's loss before tax in response to possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

	2024		2023	
	Appreciation/ (depreciation) of foreign currencies	**(Decrease)/ increase on profit before tax** ***HK$'000***	Appreciation/ (depreciation) of foreign currencies	Increase/ (decrease) on loss before tax *HK$'000*
RMB	**10%**	**(21,457)**	10%	(5,259)
	(10%)	**21,457**	(10%)	5,259

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to foreign exchange risk for monetary assets and liabilities in existence at that date, and that all other variables, in particular interest rates, remain constant. Effects of changes in foreign exchange rates on certain non-monetary financial assets are included in equity price risk.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollars and the United States dollars would be materially unaffected by any changes in movement in value of the United States dollars against other currencies. Accordingly, no sensitivity analysis has been prepared.

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' loss before tax measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes. The analysis is performed on the same basis for 2023.

Equity price risk

At 31 December 2023, the Group was mainly exposed to equity price changes arising from unlisted private equity fund classified as financial assets at fair value through profit or loss (note 15). No such investment at 31 December 2024.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(a) Market risk (Continued)

Equity price risk (Continued)

At 31 December 2024 and 2023, it was estimated that an increase/decrease of 10% in the fair value of the relevant private equity fund, with all other variables held constant, would significantly decrease/increase the Group's profit/(loss) before tax as follows:

	Increase/ (decrease) in fair value	**2024 (Decrease)/ increase on profit before taxation** ***HK$'000***	2023 (Decrease)/ increase on loss before taxation *HK$'000*
Unlisted private equity fund classified as financial assets at fair value through profit or loss	10%	–	(3,202)
	(10%)	–	3,202

The sensitivity analysis indicates the instantaneous change in the Group's profit/(loss) before tax and equity that would arise assuming the changes in the fair value of the relevant private equity fund had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which exposed the Group to equity price risk at the reporting date. The market risk associated with the debt investments is included in interest rate risk.

Interest rate risk

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the financial instruments subject to floating interest rates. Financial assets subject to cash flow interest rate risk mainly include margin loans arising from securities brokering and bank balances. Financial liabilities subject to floating interest rates are bank loans and borrowings under repurchase agreements. The Group currently does not have a cash flow interest rate hedging policy. However, management is closely monitoring the Group's exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(a) Market risk (Continued)

Interest rate risk (Continued)

The cash flow interest rate risk exposure of the Group at the end of the reporting period is as follows:

	2024		2023	
	Effective interest rate	***HK$'000***	Effective interest rate	*HK$'000*
Assets				
Bank balances	**0.5%**	**120,110**	0.50%	405,006
Margin loans	**8.875%**	**91,111**	8.875%	132,984
		211,221		537,990
Liabilities				
Bank loans	**4.49%**	**(663,050)**	5.760%	(386,417)
Borrowings under repurchase agreements	**2.624%**	**(43,517)**	5.690%	(98,391)
		(706,566)		(484,808)
Net exposure		**(495,345)**		53,182

As at 31 December 2024, it is estimated that with all other variables held constant, an increase/decrease in the interest rate by 25 basis points would have increased/decreased the Group's loss before taxation by approximately HK$1,238,000 (2023: HK$133,000) and HK$1,238,000 (2023: HK$133,000) respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 25 (2023: 25) basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period.

Fair value interest rate risk

At 31 December 2024 and 2023, the Group is also exposed to fair value interest rate risk in relation to debt investments with fixed interest classified as debt instruments at fair value through other comprehensive income (note 14). The Group does not have a fair value interest rate hedging policy. However, management is closely monitoring the Group's exposure arising from debt investments by regularly performing quantitative analysis, including periodic sensitivity analysis.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(a) Market risk (Continued)

Interest rate risk (Continued)

A sensitivity analysis of the Group's fair value interest rate risk arising from the debt investments classified as debt instruments at fair value through other comprehensive income is as follows:

	2024 Effect on equity ***HK$'000***	2023 Effect on equity *HK$'000*
Increase by 25 basis points	**3,096**	(1,809)
Decrease by 25 basis points	**(3,096)**	2,035

(b) Credit risk

The Group's credit risk is primarily attributable to its debt instruments at fair value through other comprehensive income, pledged bank deposits, bank balances and trade and other receivables (including margin loans arising from securities brokering). It has policies in place to ensure that credits are granted to customers with an appropriate credit history and/or collateral deposited with the Group.

For trade receivables arising from securities brokering except for margin loans, credits are granted to a large population of clients, and hence, there is no significant concentration risk. The margin clients' listed securities can be sold at the Group's discretion upon margin shortfall situation to fulfil any margin call.

Further quantitative data in respect of the Group's exposure to credit risk for margin loans arising from securities brokering is disclosed in note 21(v). As at 31 December 2024 and 2023, such risks are mitigated by the listed securities held by the Group as collateral which are subject to periodic review.

For commodities and futures brokering, an initial margin will be collected before the opening of trading positions. Derivative counterparties and cash transactions are limited to high credit quality financial institutions and only brokers having sound credit rating will be accepted.

The open positions of the margin clients of the trading of commodities and futures contracts can be closed at the Group's discretion in margin shortfall situation to settle any margin call requirements imposed by their respective commodities and futures contracts transactions.

The Group's pledged bank deposits and bank balances are deposited in respectable and large commercial banks. The credit risk of pledged bank deposits, bank balances and cash is considered to be manageable.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Debt instruments at fair value through other comprehensive income are listed debt investments with fixed interest. The Group has a policy in place of spreading the aggregate value of transactions concluded amongst approved counterparties with an appropriate credit quality. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group primarily invested in debt investments which are rated at least B+ by international credit rating agencies, Standard & Poor's, Moody's or Fitch; or otherwise rated AAA by Chinese credit rating agencies, China Chengxin or China Lianhe. Any exception shall be approved by the management of the Group. As at 31 December 2024, 100% (2023: 50%) of the debt investments held by the Company were B+ or above or credit ratings of at least AA determined by Mainland credit rating agencies and 0% (2023: 50%) were non-rated. In addition, the five largest debt investments contribute to 26% (2023: 57%) of the total debt investments. The management of the Group reviews the portfolio of debt investments on a regular basis to ensure that there is no significant concentration risk. In this regard, the management of the Group considers that the credit risk relating to investments in debt investments is closely monitored.

The Group has maintained relationship with various financial institutions, and has policies to limit the amount of credit exposure to any financial institution. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 21.

The maximum credit exposure is the worst case scenario of exposure to the Group without taking into account any collateral held or other credit enhancements. For financial assets, the maximum exposure to credit risk equals their carrying amount. For loan commitments and other credit related liabilities, the maximum exposure to credit risk is the full amount of the committed facilities.

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2024 and 2023.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

As at 31 December 2024	12-month ECLs Stage 1 HK$'000	Lifetime ECLs Stage 2 HK$'000	Lifetime ECLs Stage 3 HK$'000	Lifetime ECLs Simplified approach HK$'000	Total HK$'000
Debt investment at fair value through other comprehensive income					
– B + and above	619,114	–	–	–	619,114
– B to N/A	–	–	–	–	–
Trade and other receivables					
– Normal	51,311	100	–	546	51,957
– Doubtful	–	–	39,700	–	39,700
Bank balances (including pledged bank deposits)					
– Not yet past due	228,218	–	–	–	228,218
	898,643	100	39,700	546	938,989

As at 31 December 2023	12-month ECLs Stage 1 HK$'000	Lifetime ECLs Stage 2 HK$'000	Lifetime ECLs Stage 3 HK$'000	Lifetime ECLs Simplified approach HK$'000	Total HK$'000
Debt investment at fair value through other comprehensive income					
– B + and above	111,650	–	–	–	111,650
– B to N/A	113,144	–	–	–	113,144
Trade and other receivables					
– Normal	313,368	100	–	8,036	321,504
– Doubtful	–	–	12,929	–	12,929
Bank balances (including pledged bank deposits)					
– Not yet past due	531,759	–	–	–	531,759
	1,069,921	100	12,929	8,036	1,090,986

The Group applies the general approach for impairment of financial assets except for impairment of trade and other receivables arising from corporate finance, which the simplified approach was applied.

The credit quality of the financial assets included in trade and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group employs a prudent liquidity policy.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Weighted average effective interest rate	Carrying amount *HK$'000*	Total contractual undiscounted cash flow *HK$'000*	Within 1 year or on demand *HK$'000*	Between 1 and 2 years *HK$'000*	Between 2 and 6 years *HK$'000*
At 31 December 2024						
Trade and other payables	N/A	214,800	214,800	214,800	–	–
Bank loans	4.49%	663,050	692,821	692,821	–	–
Borrowings under repurchase agreements	2.73%	43,516	43,516	43,516	–	–
Lease liabilities	3.61%	6,992	7,055	7,055	–	–
		928,358	958,192	958,192	–	–

	Weighted average effective interest rate	Carrying amount *HK$'000*	Total contractual undiscounted cash flow *HK$'000*	Within 1 year or on demand *HK$'000*	Between 1 and 2 years *HK$'000*	Between 2 and 6 years *HK$'000*
At 31 December 2023						
Trade and other payables	N/A	180,753	180,753	180,753	–	–
Bank loans	5.76%	386,417	408,674	408,674	–	–
Borrowings under repurchase agreements	5.69%	98,391	103,990	103,990	–	–
Lease liabilities	3.76%	28,645	29,534	19,034	9,314	1,186
		694,206	722,951	712,451	9,314	1,186

The Company's policy is to regularly monitor its liquidity requirements including borrowings from subsidiaries, bonds issued to independent third parties, dividend payments to shareholders and accrued payments to ensure that it maintains sufficient reserves of cash to satisfy its contractual and foreseeable obligations as they fall due.

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.2 Fair value measurement of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurement is categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

– Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

– Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair Value			
		2024	2023	Fair value	Valuation techniques
		HK$'000	*HK$'000*	hierarchy	key inputs
(i)	Financial assets at fair value through profit or loss				
	– Listed perpetual bonds	**–**	15,342	Level 1	Quoted prices in an active market
	– Listed fund investments	**11,671**	24,885	Level 1	Quoted prices in an active market
	– Unlisted private equity funds *(note)*	**–**	32,020	Level 3	Adjusted net asset value ("NAV") of private equity fund
	– Unlisted equity securities	**1**	1	Level 2	Adjusted NAV of equity securities
(ii)	Debt instruments at fair value through other comprehensive income				
	– Listed debt investment	**619,114**	224,794	Level 1	Quoted prices in an active market

Note: The fair values of unlisted equity funds are determined with reference to its net asset value or recent transaction price. Accordingly, no sensitivity analysis was prepared.

There are no transfers into or out of Level 3 for financial assets in the current year (2023: nil).

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

34.2 Fair value measurement of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements of financial instruments

	Financial assets at fair value through profit or loss *HK$'000*
At 1 January 2023	48,022
Additions	2,064
Changes in fair value	(10,825)
Exchange difference	(667)
Disposals	(6,574)
At 31 December 2023 and 1 January 2024	32,020
Additions	1,629
Changes in fair value	(10,825)
Exchange difference	(525)
Disposals	(5,348)
Disposal of subsidiaries *(note 35)*	(16,951)
At 31 December 2024	–

Fair value measurement and valuation process

The management is responsible for determining the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of the financial instruments, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group maximises its use of other observable market data relevant to the assets or the liabilities. As there are a number of investments within these investment funds, management considered providing the sensitivity analysis is not meaningful.

35. DISPOSAL OF SUBSIDIARIES

盛雲達

On 13 December 2024, the Group disposed 50% of its equity interest of 盛雲達, at a consideration of RMB16.95 million (equivalent to approximately HK$18.34 million) to CPI (China) Management Limited, an associate of the Group.

	HK$'000
Net assets disposed of:	
Financial assets at fair value through profit of loss	**26,357**
Property, plant and equipment	**199**
Right-of-use assets	**1,588**
Bank balances and cash	**65,794**
Trade and other receivables	**91,518**
Accruals and other payables	**(919)**
Amount due to group entities	**(141,431)**
Income tax payable	**(5,703)**
Lease liabilities	**(1,806)**
Net assets disposed of	**35,597**
Loss on disposal:	
Consideration receivable	**18,340**
Recognition of interests in joint venture *(note 17)*	**17,799**
Net assets disposed of	**(35,597)**
Release of exchange reserve upon disposal	**(12,738)**
Loss on disposal	**(12,196)**
Net cash outflows arising on disposal	
Consideration received	**9,170**
Less: bank balances and cash disposed of	**(65,794)**
	(56,624)

35. DISPOSAL OF SUBSIDIARIES (CONTINUED)

盛達領先

On 23 December 2024, the Group disposed 50% of its equity interest of 盛達領先, at a consideration of RMB8.70 million (equivalent to approximately HK$9.6 million) to a connected person.

	HK$'000
Net assets disposed of:	
Financial assets at fair value through profit of loss	**3,626**
Property, plant and equipment	**287**
Right-of-use assets	**1,190**
Bank balances and cash	**21,422**
Trade and other receivables	**7,145**
Accruals and other payables	**(853)**
Amount due to group entities	**(8,110)**
Income tax payable	**(45)**
Lease liabilities	**(1,483)**
Net assets disposed of	**23,179**
Loss on disposal:	
Consideration receivable	**9,600**
Recognition of interests in joint venture *(note 17)*	**11,589**
Net assets disposed of	**(23,179)**
Release of exchange reserve upon disposal	**(1,848)**
Loss on disposal	**(3,838)**
Net cash outflows arising on disposal	
Consideration received	**–**
Less: bank balances and cash disposed of	**(21,422)**
	(21,422)

36. RELATED PARTY AND CONNECTED PARTY TRANSACTIONS

The following is a summary of significant related party and connected party (as defined in the Listing Rules) transactions which were carried out in the normal course of the Group's business:

	2024 HK$'000	2023 HK$'000
Brokering commission for securities dealing *(note (i))*	**3,024**	2,887
Service fee income *(note (ii))*	**3,301**	2,951
Placing commission *(note (iii))*	**1,567**	601
Fund management fee and advisory fee income *(note (iv))*	**43,725**	49,097
Bank interest income *(note (v))*	**484**	977

Notes:

(i) In 2024 and 2023, the Group earned commission income from its directors and fellow subsidiaries for providing securities brokering services. The commission income from fellow subsidiaries constitutes continuing connected transactions.

(ii) In 2024 and 2023, the Group earned service fee income from an associate and its fellow subsidiaries for providing administrative supporting and consulting services.

(iii) In 2024 and 2023, the Group received placing commission from its fellow subsidiaries and ultimate holding company for placing securities. The entire amount constitutes continuing connected transactions.

(iv) In 2024 and 2023, the Group earned management fee income from China Cinda Asset Management Co., Ltd. ("China Cinda" and its associates (as defined by Listing Rules)) for providing asset management services. The entire amount constitutes continuing connected transactions.

(v) In 2024 and 2023, the Group earned bank interest income from its fellow subsidiary.

(vi) The Group is indirectly controlled by China Cinda, which is indirectly controlled by the PRC government through the Ministry of Finance (the "MOF"). The MOF is the major shareholder of China Cinda as at 31 December 2024 and 2023. For the current and prior years, the Group undertakes certain transactions and maintain certain balances with entities directly or indirectly owned by the PRC government, including but not limited to making bank deposits, receiving banking facilities, renting properties and rendering and obtaining other services. The Group is of the opinion that these transactions are in normal business terms that do not require separate disclosure.

(vii) Compensation of key management personnel is disclosed in note 29(a).

37. IMMEDIATE AND ULTIMATE HOLDING COMPANY

At 31 December 2024 and 2023, the directors consider the immediate parent and ultimate controlling party of the Group to be Cinda Securities (H.K.) Holdings Limited and China Cinda Asset Management Co., Ltd., respectively, which are incorporated in Hong Kong and established in the PRC, respectively.

38. EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period that require adjustments to the consolidated financial statements.

39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group offsets the following trade receivables and trade payables as the Group currently has a legally enforceable right to set off the balance, and intends either to settle on net basis, or to realise the balance simultaneously.

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the Group's consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC"), the Group has a legally enforceable right to set off the money obligation receivable and payable with HKSCC on the same settlement date and the Group intends to settle them on a net basis. In addition, the Group has a legally enforceable right to set off the trade receivables and payables with brokering clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Other balances with HKSCC and brokering clients that are not to be settled on the same date, or can only be set off in an event of default, are presented in gross.

39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position: Financial instruments received as collateral *(note (iii))*	Net amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2024					
Financial assets by counterparty					
Trade receivables from:					
– Margin clients *(note (i))*	**158,800**	**(67,689)**	**91,111**	**(49,640)**	**41,471**
– Clearing houses *(note (ii))*	**96,794**	**(93,793)**	**2,971**	**–**	**2,971**
Total	**255,564**	**(161,482)**	**94,082**	**(49,640)**	**44,442**
As at 31 December 2023					
Financial assets by counterparty					
Trade receivables from:					
– Margin clients *(note (i))*	168,753	(35,769)	132,984	(117,171)	15,813
– Clearing houses *(note (ii))*	88,873	(88,755)	118	–	118
Total	257,626	(124,524)	133,102	(117,171)	15,931

39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows: (Continued)

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial liabilities offset in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not offset in the consolidated statement of financial position: Financial instruments received as collateral *(note (iii))*	Net amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2024					
Financial liabilities by counterparty					
Trade payable to:					
– Margin clients *(note (i))*	**(70,667)**	**67,689**	**(2,978)**	**–**	**(2,978)**
– Clearing houses *(note (ii))*	**(94,430)**	**93,793**	**(637)**	**–**	**(637)**
Total	**(165,097)**	**161,482**	**(3,615)**	**–**	**(3,615)**
As at 31 December 2023					
Financial liabilities by counterparty					
Trade payable to:					
– Margin clients *(note (i))*	(39,430)	35,769	(3,661)	–	(3,661)
– Clearing houses *(note (ii))*	(93,583)	88,755	(4,828)	–	(4,828)
Total	(133,013)	124,524	(8,489)	–	(8,489)

Notes:

(i) Under the agreement signed between the Group and the customers, money obligations receivable and payable with the same customer on the same date are settled on a net basis simultaneously.

(ii) Under the agreement of the Continuous Net Settlement made between the Group and HKSCC, money obligations receivable and payable with HKSCC on the same settlement date are settled on a net basis.

(iii) Financial instruments represent the margin clients' listed securities measured at fair value determined by reference to their respective quoted prices pledged to the Group for credit facilities for securities trading.

(Expressed in Hong Kong dollars)

40. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18 Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements. While HKFRS 18 will not change recognition criteria or measurement bases, the standard is expected to change the presentation and disclosures of the Group's consolidation financial statements.

41. COMPARATIVE FIGURES

Certain comparative figures have been re-presented in order to conform to the current year's presentation.

Five Year Financial Summary

(Expressed in Hong Kong dollars)

	Year ended 31 December				
Results	**2024**	2023	2022	2021	2020
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Profit/(loss) attributable to equity holders	**10,335**	(12,849)	(22,408)	57,794	83,671

	As at 31 December				
Assets and liabilities	**2024**	2023	2022	2021	2020
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**1,864,194**	1,646,468	1,665,710	2,106,451	2,551,768
Total liabilities	**(928,398)**	(706,335)	(717,597)	(1,083,811)	(1,562,667)
Total equity	**935,796**	940,133	948,113	1,022,640	989,101

Notes:

1. The Company was incorporated in Bermuda on 19 April 2000 and became the holding company of the companies now comprising the Group on 10 July 2000.

2. Segregated trust accounts maintained by the Group to hold clients' monies and the corresponding amounts classified under accounts payable are treated as items not recognised in the consolidated statement of financial position.